

STATE OF NEW MEXICO

SANTA FE COUNTY

**Financial Statements and
Other Financial Information**

(With Independent Auditors' Reports Thereon)

Year Ended June 30, 2006



Barraclough & Associates, P.C.
Certified Public Accountants & Consultants

*gc
1-8-07*

5026



OFFICE OF THE STATE AUDITOR

Hector H. Balderas

January 8, 2007

SAO Ref. No. 5026

Gerald T.E. Gonzalez, County Manager
and
Members of the County Commission
Santa Fe County
PO Box 276
Santa Fe, NM 87504-0276

SUBJECT: Audit Report—Santa Fe County—2005-2006 Fiscal Year—Prepared by Barraclough & Associates, PC

Your agency audit report was received by the Office of the State Auditor (Office) on November 15, 2006. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed. This letter is the authorization to make the final payment to the independent public accountant (IPA) who contracted to perform the agency's financial and compliance audit. In accordance with the Section 2 (B) of the audit contract, the IPA will deliver the specified number of copies of the audit to the agency.

As per your written request, this office is waiving the ten (10) day waiting period and is making the report public record immediately. The audit report will be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Department of Finance and Administration; and
- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The independent public accountant's findings and comments are included in the audit report on pages 147 - 157. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

A handwritten signature in black ink, appearing to read "H. Balderas", is written over a horizontal line.

HECTOR H. BALDERAS
STATE AUDITOR

cc: Legislative Finance Committee
Department of Finance and Administration-
Local Government Division
Barraclough & Associates, PC

**STATE OF NEW MEXICO
SANTA FE COUNTY**

**Official Roster
June 30, 2006**

COUNTY COMMISSIONERS

Mike Anaya
Paul Campos
Harry B. Montoya
Jack Sullivan
Virginia Vigil

Chairperson
Member
Member
Member
Member

COUNTY OFFICIALS

Greg Solano
Victor Montoya
Valerie Espinoza
Benito Martinez, Jr.
Francis J. Mathew
Allen Grace

County Sheriff
County Treasurer
County Clerk
County Assessor
Probate Judge
County Surveyor

ADMINISTRATIVE OFFICIAL

Gerald T.E. González

County Manager

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STATE OF NEW MEXICO
SANTA FE COUNTY

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STATE OF NEW MEXICO
SANTA FE COUNTY

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"21 Years of Excellence"



Barracough & Associates, P.C.
Certified Public Accountants & Consultants

1422 Paseo de Peralta
Post Office Box 1847
Santa Fe, New Mexico 87504
(505) 983-3387
(505) 988-2505 FAX
(800) 983-1040 Toll Free
ba@barracough.com

Principals
John E. Barracough, Jr., C.P.A.
Annette V. Hayden, C.P.A.
Sandra M. Shell, C.P.A., C.V.A.
Joseph A. Sisneros, C.P.A.

Managers
Douglas W. Fraser, C.P.A.
Rick W. Reynolds, C.P.A.
Rhonda G. Williams, C.P.A.

INDEPENDENT AUDITORS' REPORT

Mr. Domingo P. Martinez, CGFM State Auditor
and
County Commissioners of the
State of New Mexico, Santa Fe County:

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Fe County, New Mexico (County), as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds and budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, for the general fund and major special revenue funds, and the aggregate remaining fund information of the County, as of June 30, 2006, and the respective changes in financial position, cash flows and the budgetary comparison for general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each non major governmental fund, the fiduciary funds of the County, as of June 30, 2006, and the respective changes in financial position and the respective budgetary comparisons for the remaining major governmental funds and for the enterprise funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2006 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Handwritten signature and date: J. 1-8-07

The accompanying Management's Discussion and Analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements as listed in the table of contents and each of the County's non major governmental and fiduciary funds and budgetary comparisons in the accompanying combining and individual fund financial statements as listed in the table of contents. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as is required by the US Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Not-For-Profit Organizations*, and are not a required part of the basic financial statements. The accompanying financial data schedule is presented for purposes of additional analysis required by the Housing and Urban Development and is not a required part of the basic financial statements. Also, the schedules listed as other supplementary information in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



October 28, 2006

SANTA FE COUNTY
Management's Discussion and Analysis – Unaudited
June 30, 2006

As management of Santa Fe County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2006.

PROFILE OF THE COUNTY

Santa Fe County was established by the laws of the Territory of New Mexico of 1852, under provisions of the act now referred to as Section 4-26-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (police, fire and corrections), highways and streets, sanitation, health and social services, low rent housing assistance, affordable housing, culture-recreation, public projects' improvements, planning and zoning, and general administration services. A regional planning authority created by the City and County of Santa Fe, as well as County housing services, utility, home sales and jail enterprises are included within the business activity of the County's financial statements. All legislative power within the County is vested in a five-member Board of Commissioners, each of whom are elected for four-year terms. The executive function is divided and shared by the Board and six elected County officials - the Assessor, Clerk, Probate Judge, Sheriff, Surveyor and Treasurer.

The County maintains budgetary controls to ensure compliance with legal provisions required in the annual appropriated budget approved by the Board. The County's legal level of budgetary control is at the fund level. Initial appropriations must be approved by the Board of County Commissioners, within a fund may be adjusted with the approval of the Board and the New Mexico State Department of Finance and Administration (DFA). The Local Government Division of DFA is responsible for regulating the budgetary affairs of the County. Budget adjustments that do not require DFA approval are limited to transfers within organizational unit (between expenditure categories) or transfers between organizational units (same department and same fund).

Summary of County Program Highlights and Challenges

During the current fiscal year, the County accomplished the following goals and achievements.

- The Housing Authority successfully sold fourteen (14) affordable housing units, both renovated and new construction, located in the Valle Vista subdivision. The majority of affordable housing units sold were three (3) bedroom homes ranging in appraised market value from \$80,000 to \$100,000.
- During FY2006, County ordinance and regulations were adopted to require provisions of affordable housing in Major (30%) and Minor (16%) Residential Development Projects within the Northern and Central areas of Santa Fe County. Intended to address issues and challenges concerning affordable housing in the County, within the Northern and Central areas of Santa Fe County. Intended to address issues and challenges concerning affordable housing in the County, the program expanded previous efforts applied to the Community College District and offered incentive opportunities for development, as well as policy directions toward long term affordability for the community. To-date, nearly 100 affordable housing units have been created through this program serving County residents who earn less than 120% of the Area Median Income. The effect of these affordable housing units permeates a multitude of socio-economic as well as cultural components within the community and most notably, the units lend themselves to improved community and family stability.

- The CARE Connection Program is a two-part program, which includes the development of an Assessment Center and Sobering Center. During FY 2006 the Health and Human Services Department began the construction of the Sobering Center and expects to open and accept clients by mid-November. The program strives for a better coordination of behavioral health services in Santa Fe County through a consortium of behavioral health providers, consumers, families, elected officials, Tribal officials, law enforcement and officers of the court. Services include development and implementation of a central intake and assessment center to receive and assess clients, a centralized database system to monitor the clients' needs, and a sobering center to detoxify the clients. The primary goal of the program is to divert individuals from the local hospital's emergency room and the County jail into a service-oriented program specializing in holistic treatment for individuals suffering from chronic alcohol and substance abuse. The Assessment Center opened in February 2005, and has handled 2,445 clients—issuing 1,769 vouchers for treatment and 1,148 vouchers for support services.
- During FY 2006, the Water Resources Department completed the Hydrologic Computer Model, which analyzes water resources and will assist in the development of a well program for Santa Fe County. The well program will supplement water sources to the Buckman Direct Diversion (BDD) project, a joint effort between the City and the County. The project is moving slower than anticipated, but negotiations with the City are on-going. Both governing bodies approved a major cost-sharing document for the BDD project.
- During FY 2006 the County issued \$20 million in general obligation bonds, payable from taxes, to acquire, construct, design, equip and improve roads, water projects and fire safety projects. Priority projects for funding consideration may include the Buckman Direct Diversion Project, fire sub-station improvements and upgrades to County roads. The County acquired 1,188 acre-feet of water by purchasing the Top of the World, Rio Grande-Cerro Costilla area water rights.
- The County also issued \$8,490,000 in General Obligation Bonds Series 2005 to advance refund \$8,380,000 of outstanding 1997 Series bonds. The advance refund of the 1997 series bond saved the County approximately \$100,000.
- Santa Fe County entered into a debt agreement with the New Mexico Finance Authority (NMFA) for a principal amount of \$888,889 for the purpose of defraying the cost of acquiring real property for use by the County to build a courthouse.
- The Adolescent Residential Center (ARC) is a non-secure 20-bed facility whose mission is to assist adolescent offenders with their re-entry into the community. The primary goal is to prepare the clients, through provision of group therapy focusing on life skills, to deal with issues such as cooking, hygiene, money management and job interviewing. The ARC has served fourteen (14) clients, with six clients successfully discharged, and four AWOL clients. The Youth Development Program for incarcerated youth has witnessed an average monthly population ranging from 60-70 clients. The majority of the population has been comprised of youth sentences through the United States Bureau of Prisons. During FY 2006, the County negotiated a contract with the Children Youth and Families Department (CYFD) for the housing of clients. It is anticipated that the CYFD clients will range from 30-50 clients in the first year. The Youth Development Program is striving to achieve national accreditation with the American Correctional Association.

- Santa Fe County assumed full operations of the Adult Detention Facility in October 2005, and has successfully completed one full year of managing the correctional facility. The County continues to work with the Department of Justice to resolve issues surrounding the medical care of inmates and adequate staffing of correctional officers and medical staff. The County has increased overall security staffing, increased medical staffing of nurses and doctor hours (resulting in an increase of on-sight coverage) as well as increased psychiatric coverage. Additionally, the County upgraded laundry equipment, the camera system and replaced the inmate management system with the new Jail Management Software. Lastly, the County negotiated a new food service contract, which also affects the commissary operations.
- In FY 2006, the County Board of Commissioners established a formal strategic planning process and basic services were defined and an internal taskforce was trained and embarked on defining service goals and objectives.
- The County's phone system is being upgraded to an Internet-Protocol (IP) based system, which was completely installed in the Adult Detention Facility. E-mail and calendaring systems are also being standardized and upgraded.
- In FY 2006, 2,500 new structures valued at \$820 million were appraised by the County Assessor's staff and placed on the tax roll. The County Treasurer invested \$11 million in short-term CDS and also took over collection of refuse permit fees.

In future years, the County is faced with the following challenges.

- The newly implemented affordable housing program is challenged by an increasing demand for affordable quality housing, exponentially increasing housing market pressures. Smart growth for the community is a potential, partner or threat, depending on planning and community resource-driven activities and policies. Working with a growing network of community partners is also a challenge due to the greater need for integration of efforts and limitation of available resources.
- The need for providing an adequate water supply within our drought-stricken area will continue to be placed at the forefront of future challenges. The challenge to be met is to balance the availability of an adequate water supply with the demand for increased land development. The County is continuing to acquire water right acquisitions while conducting ongoing plans with the City of Santa Fe for financing and constructing the Buckman Direct Diversion project.
- The County assumed full operation of the Adult Detention Facility, which includes the security, medical and administrative components of running the facility. The implementation of the ¼ % gross receipts tax for correctional facilities (enacted by the 2004 NM Legislative Session), assisted in the assumption of complete jail operations. The challenge of maintaining a fiscal balance, requiring no additional funding from the general fund, while marketing available beds to other jurisdictions, will continue to be a major focus for operation of the adult detention facility. An additional challenge is maintaining adequate staffing by providing competitive salary for both correctional officers and nursing staff. The medical component has proven to be a large challenge for the County both from the perspective of maintaining nursing staff and balancing the budget for inmate medical costs.
- The County plans to propose a Countywide emergency medical service and emergency communications gross receipts tax to the voters at the November general election. The tax, if approved, will be used for the operation of the Regional Emergency Communications Center (RECC is currently jointly funded by the City and the County), and the operation of emergency medical services provided by Santa Fe County. With the increase, the gross receipts tax rate in the County will be 6.5625 percent. The tax may be met with possible opposition from the city, and city firefighters.
- Santa Fe County participates in the "Sole Community Provider" Program wherein payment is made to the State Health Department, which in turn matches the money with a federal grant to fund the operation of local hospitals. St. Vincent Hospital benefits from this grant and supports

County health programs, defined by an Agreement between the hospital and the County. The agreement has been expanded to cover jail medical costs and to fund the Assessment and Sobering Center. In recent years, the County has struggled to meet the required base commitment for the Sole Community Provider (SCP) payment. The required base payment exceeds the available gross receipts tax revenue available for SCP funding. A \$2 million increase in SCP payments has occurred from FY2005-FY2007. In previous years, the fund that sustains the SCP payments has had sufficient cash balance to meet the growing base payments. This is no longer the case. The County will be able to meet the SCP base payment required in FY 2007, but the funding for a supplemental payment in FY 2007 is highly unlikely. SCP payments will be limited to available gross receipts tax revenue available for FY 2008.

- The judicial court complex has been overcrowded and in dire need of renovation to accommodate security issues. The 1/16th gross receipts tax increment was enacted and collections started January 2006. Though there is no statutory dedication of this revenue other than for general fund purposes, there is an informal Board of County Commissioners commitment of this revenue for the purpose of constructing a judicial center. The County also plans to propose a \$25 million general obligation bond question to the voters at the November general election specifically for the construction of a courthouse. The total estimated cost of the proposed courthouse and parking garage is \$45 million. The County has identified land on Sandoval Street at Montezuma Avenue, as the location of the new courthouse in an effort to maintain a downtown location for the courthouse.
- Capital funding through state legislative grants were substantially increased for Santa Fe County, from \$2.6 million in FY 2006 to \$10 million in FY 2007. The construction of community centers and health service facilities presents the County with a funding challenge where County-operated programs are envisioned for these facilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. All of the funds of the County can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental funds. All governmental fund types are accounted for on a spending flow measurement focus.

Proprietary funds. The County maintains four different types of proprietary funds. Enterprise funds are used to report the same functions presented as Business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Water, Housing Authority, Regional Planning Authority, Jail and Home Sales.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

The County as a Whole

As of June 30, 2006 and 2005, net assets are as follows:

	2006			2005		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
ASSETS						
Current and Other Assets	\$ 124,778,101	\$ 18,488,783	\$ 143,266,884	\$ 90,686,591	\$ 16,227,813	\$ 106,914,404
Capital and Non-Current Assets	66,386,405	44,003,162	110,389,567	40,117,070	37,752,691	77,869,761
Total Assets	<u>191,164,506</u>	<u>62,491,945</u>	<u>253,656,451</u>	<u>130,803,661</u>	<u>53,980,504</u>	<u>184,784,165</u>
LIABILITIES						
Current Liabilities	15,270,067	2,493,124	17,763,191	9,162,516	2,567,779	11,730,295
Long-Term Liabilities	58,669,823	36,704,559	95,374,382	45,181,798	37,296,908	82,478,706
Total Liabilities	<u>73,939,890</u>	<u>39,197,683</u>	<u>113,137,573</u>	<u>54,344,314</u>	<u>39,864,687</u>	<u>94,209,001</u>
NET ASSETS						
Invested in capital assets	15,402,611	5,880,142	21,282,753	(5,774,104)	(966,454)	(6,740,558)
Restricted	46,739,368	2,387,579	49,126,947	36,484,671	2,049,600	38,534,271
Unrestricted (deficit)	55,082,637	15,026,541	70,109,178	45,748,780	13,032,671	58,781,451
Total net assets	<u>\$ 117,224,616</u>	<u>\$ 23,294,262</u>	<u>\$ 140,518,878</u>	<u>\$ 76,459,347</u>	<u>\$ 14,115,817</u>	<u>\$ 90,575,164</u>

The County's major governmental funds are the General Fund, EMS and Health Care Fund, Capital Outlay – Gross Receipts Tax fund, and the General Obligation Bond Series 2005 fund. The governmental funds had an excess of revenues and other financing sources over expenditures and other financing uses of \$30,737,660, approximately a \$22.9 million increase over 2005. Total governmental revenues increased approximately \$20.7 million mainly due to increased property and gross receipts taxes, charges for services and investment income. In addition the County recorded its infrastructure acquired since June 30, 1980 (see footnote 2), in the 2006 fiscal year.

Government-wide financial analysis.

The County change in net assets for the year ended June 30, 2006 was \$23,490,976 compared to \$14,492,953 for the year ended June 30, 2005. See pages 16 and 18 for more detail on the differences between the government wide financial statements and the governmental fund financial statements.

The fiscal year 2006 personnel costs increased due to an increase of 202 positions over the 603 positions from the 2005 fiscal year. The County assumed operations of the Adult Detention Facility in October 2005, and the majority of the new positions are assigned to the Adult Detention Facility. Two Transfer Station Caretakers were approved for the Public Works Department. Additional positions included a Voter Outreach Coordinator and a Voter Information Specialist.

The Jail Facility Enterprise Fund needed a general fund transfer of \$5,959,064 to cover the cost of housing adult inmates. This is a significant demand on General Fund resources. At the same time the population served by the Jail Facility Fund has increased, and the scope and quality of services mandated by the State and Federal Governments have been raised. A County ordinance enacting the ¼% Countywide Corrections gross receipts tax was approved after the start of the fiscal year, and alleviates some of the Jail Facility Fund need for future transfers from the General Fund.

Changes in the County's Net Assets Year Ended June 30, 2006 and 2005

	2006			2005		
	Changes in Net assets			Changes in Net assets		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 9,828,097	\$ 14,295,109	\$ 24,123,206	\$ 8,492,270	\$ 11,109,925	\$ 19,602,195
Operating grants and contributions	7,089,664	811,229	7,900,893	5,489,596	668,393	6,157,989
Capital grants and contributions	2,180,528	-	2,180,528	1,806,781	62,700	1,869,481
General revenues						
Property taxes	39,207,706	-	39,207,706	32,291,493	-	32,291,493
Gross receipt taxes	32,550,085	-	32,550,085	26,933,587	-	26,933,587
Other taxes	2,249,213	-	2,249,213	1,358,130	-	1,358,130
Investment income	3,951,150	191,709	4,142,859	1,673,837	178,945	1,852,782
Other	515,308	17,688	532,996	723,852	16,648	740,500
Contribution not restricted to a specific program	1,508,735	-	1,508,735	2,882,460	-	2,882,460
Total revenues	99,080,486	15,315,735	114,396,221	81,652,006	12,036,611	93,688,617
Expenses						
General government	19,721,746	-	19,721,746	19,232,291	-	19,232,291
Public safety	12,951,297	-	12,951,297	11,735,285	-	11,735,285
Highways and streets	10,055,141	-	10,055,141	7,192,633	-	7,192,633
Health and welfare	20,227,701	-	20,227,701	17,906,803	-	17,906,803
Culture and recreation	502,693	-	502,693	520,991	-	520,991
Economic development	316,602	-	316,602	289,758	-	289,758
Interest on long-term debt	2,211,444	-	2,211,444	2,511,792	-	2,511,792
Housing Services	-	1,618,964	1,618,964	-	1,801,301	1,801,301
Utilities Department	-	1,483,430	1,483,430	-	1,256,254	1,256,254
Jail Facility	-	20,967,958	20,967,958	-	16,087,922	16,087,922
Regional Planning Authority	-	9,359	9,359	-	41,848	41,848
Home sales	-	838,910	838,910	-	618,786	618,786
Total expenses	65,986,624	24,918,621	90,905,245	59,389,553	19,806,111	79,195,664
Increase (decrease) in net assets before transfers	33,093,862	(9,602,886)	23,490,976	22,262,453	(7,769,500)	14,492,953
Transfers	(18,781,331)	18,781,331	-	(13,520,701)	13,520,701	-
Change in net assets	\$ 14,312,531	\$ 9,178,445	\$ 23,490,976	\$ 8,741,752	\$ 5,751,201	\$ 14,492,953

Budgetary Highlights

The Santa Fe County Fiscal Year 2006 Budget totals \$123,628,110, or \$109,176,983 without counting transfers between funds. The total budget includes general operating funds which are associated with the daily operation of County government, special revenue funds which are those funds legally restricted to specific uses such as road maintenance, lodgers tax, indigent health care, capital improvement funds for improvements to County facilities and County infrastructure, debt service funds which pay for principal and interest on outstanding bonds and enterprise funds where user fees primarily generate the fund revenues.

The General Fund original operating budget expenditures for Fiscal Year 2006 totals \$41.3 million and totaled \$46.9 million with all budget changes, up \$0.9 million from \$40.4 million budgeted in Fiscal Year 2005. Alcohol and Detox Programs were removed from this fund and designated as special revenue funds. If General Fund expenditures included these programs, they would total \$43.2 million, or an increase of \$2.9 million from FY 2005. The major sources of increase to General Fund revenues are an increase of \$1.7 million in property taxes, \$0.2 million increase in gross receipts taxes, a \$0.4 million increase in fees, charges, interest and other revenue, a \$1.4 million decrease in state and federal (\$0.5 million increase if Alcohol and Detox programs are added), and a \$0.3 million increase in budgeted cash, primarily due to actual revenue exceeding budget in FY 2005. Actual revenues and expenditures varied from final budgeted amounts by \$3.5 million more in revenue and \$4.5 million less in expenditures.

The Special Revenue Funds budget for Fiscal Year 2006 totals \$40.8 million and totaled \$67.6 million after all budget changes, which is an \$8.8 million increase from the \$32.0 million, budgeted in the prior fiscal year. This increase is principally due to the inclusion of the Alcohol and Detox Programs, \$1.9 million, as Special Revenue Funds instead of within the General Fund, the new Corrections Gross Receipts Tax, receipts of \$4.3 million, increases in the EMS and Health Care fund of \$1.5 million, and the Capital Outlay Tax fund of \$0.4 million.

Capital Project Funds original budget for Fiscal Year 2006 totals \$12.5 million and totaled \$42.9 million with all budget adjustments, compared to \$10.0 million in Fiscal Year 2005. The \$2.3 million difference can be attributed primarily to Open Space Public Works projects. Budget increases, totaling \$30.6 million were approved during the fiscal year. The significant adjustments were:

- \$20.0 million for bond proceeds;
- \$ 9.3 million for grants and
- budgeted cash of \$1.3 million.

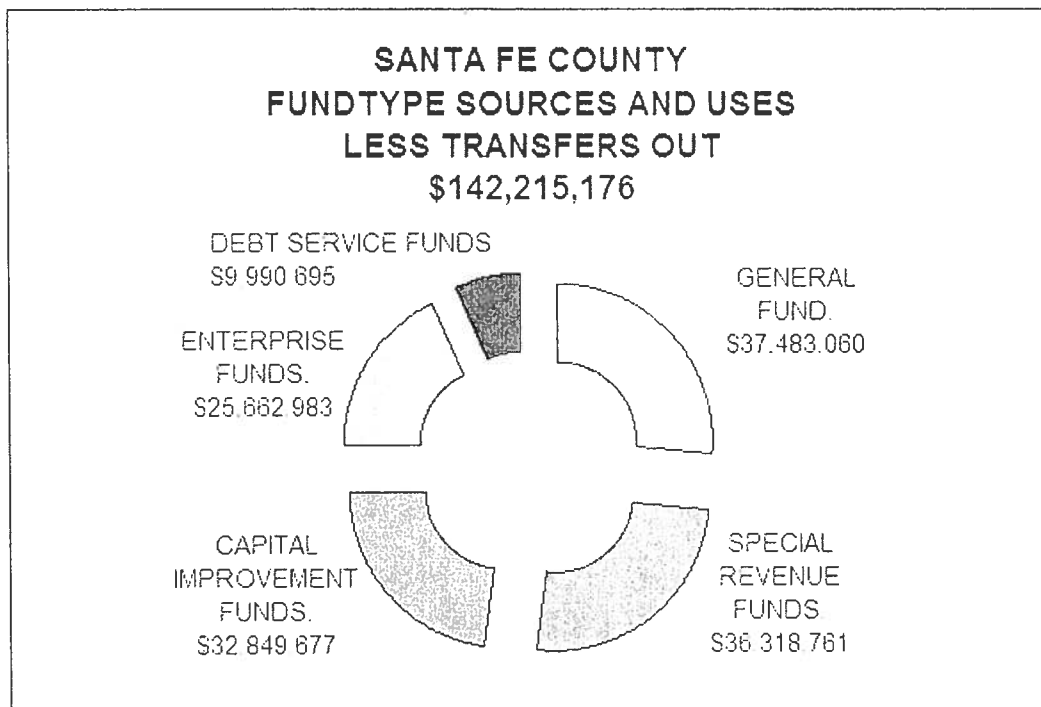
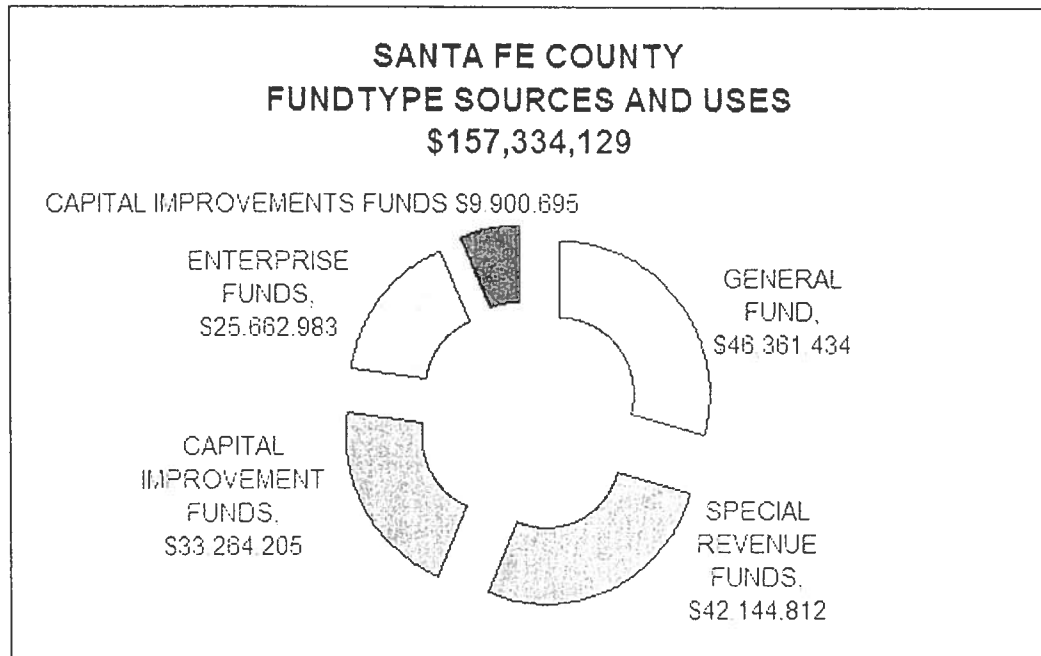
Debt Service Funds original and final budgets were at \$5 million and \$4.9 million in Fiscal Year 2006, compared to \$4.9 million in the prior fiscal year mainly due to budgeted cash of \$100,000.

Enterprise Fund budgets (water utilities, housing, regional planning authority and the jail) total \$23.6 million and totaled \$30.5 million after budget adjustments in Fiscal Year 2006, up from \$18.5 million in Fiscal Year 2005. Nearly all of this increase is due to the related costs of assuming operation of the Adult Detention Facility, continued operation of the Youth Development (Juvenile) Facility, and the inclusion of the Adolescent Residence Center and the Youth Day Reporting Program.

Budget increases, decreases and transfers totaling \$69.8 million were approved during the fiscal year.

Significant 2006 budget adjustments were:

- \$11 million for grants for the Road Projects, Special Appropriations, Utilities, General and Jail;
- Bond proceeds of \$20.9 million;
- Transfers between funds of \$14.7 million, and
- Budgeted cash carryover totaling \$2.8 million for the General Fund, \$4.5 million for the Jail Facility Fund and \$15.9 million for the Capital Outlay Gross Receipts Tax Fund.



The General Fund operating budget for Fiscal Year 2007 expenditures totals \$46.3 million, up \$5.0 million from \$41.3 million budgeted in Fiscal Year 2006. The major sources of increases in General Fund revenues are attributable to increases in property taxes and gross receipt taxes.

The Special Revenue Funds budget for Fiscal Year 2007 totals \$42.1 million, which is up somewhat from the \$40.9 million, budgeted in the prior fiscal year. This increase is principally due to the movement of alcohol related grants totaling \$923,799 and Detoxification grants totaling \$1,501,419 from the General Fund to individual funds.

Capital Project Funds are budgeted in Fiscal Year 2007 at \$33.2 million compared to \$12.9 million in Fiscal Year 2006. The increase is principally due to budgeting the intergovernmental grants for a total of \$12.5 million (advance notice of award amount is not typically provided before budget submission to DFA) and budgeted cash. Debt Service Funds are budgeted at \$9.9 million in Fiscal Year 2007, compared to \$4.8 million in the prior fiscal year. This increase is due to the issuance of the 2005A Series GOB for public works, water and fire.

Enterprise Funds budgets (water utilities, housing, and the County jail) total \$25.6 million in Fiscal Year 2007, which is up \$2.0 million from the prior fiscal year.

Financial Contact

The County's financial statements are designed to present users with the general overview of the County's finances and to demonstrate the Department's accountability. If you have questions about the report or need additional information, contact the County's Finance Director at 102 Grant Ave, PO Box 276, Santa Fe, New Mexico 87504 or visit our website at <http://www.santafeCounty.org.us>.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 1

Statement of Net Assets

June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash investments - Unrestricted	\$ 24,309,135	\$ -	\$ 24,309,135
Equity in pooled cash investments - Restricted	80,277,142	15,371,527	95,648,669
Receivables, net of allowance for uncollectible			
Accounts	67,344	1,810,065	1,877,409
Taxes	10,234,530	-	10,234,530
Interest	460,036	66,582	526,618
Grantor agencies and other	3,612,393	-	3,612,393
Mortgage receivables	5,817,521	197,134	6,014,655
Interfund balances	-	-	-
Assets held for sale	-	1,236,426	1,236,426
Capital assets (net of accumulated depreciation)	66,386,405	34,488,554	100,874,959
Deferred costs, net	-	377,011	377,011
Water rights	-	8,944,646	8,944,646
	<u>\$ 191,164,506</u>	<u>\$ 62,491,945</u>	<u>\$ 253,656,451</u>
Total assets			
LIABILITIES			
Accounts payable	\$ 2,828,589	\$ 458,131	\$ 3,286,720
Accrued payroll	517,553	273,187	790,740
Accrued interest	1,228,886	645,371	1,874,257
Interfund balances	-	-	-
Deferred revenue	1,087,773	192,951	1,280,724
Deposits held for others	104,207	74,985	179,192
Noncurrent liabilities:			
Due within one year	9,503,059	848,499	10,351,558
Due in more than one year	58,669,823	36,704,559	95,374,382
	<u>73,939,890</u>	<u>39,197,683</u>	<u>113,137,573</u>
Total liabilities			
NET ASSETS			
Invested in capital assets, net of related debt	15,402,611	5,880,142	21,282,753
Restricted for:			
Debt service	10,724,885	2,387,579	13,112,464
Capital projects	36,014,483	-	36,014,483
Unrestricted	55,082,637	15,026,541	70,109,178
	<u>\$ 117,224,616</u>	<u>\$ 23,294,262</u>	<u>\$ 140,518,878</u>
Total net assets			

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 2

Statement of Activities

Year Ended June 30, 2006

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ (19,721,746)	\$ 5,759,387	\$ 1,755,181	\$ -	\$ (12,207,178)	\$ -	\$ (12,207,178)
Public safety	(12,951,297)	-	1,268,518	-	(11,682,779)	-	(11,682,779)
Highways and streets	(10,055,141)	-	42,406	2,180,528	(7,832,207)	-	(7,832,207)
Health and welfare	(20,227,701)	4,068,710	3,891,159	-	(12,267,832)	-	(12,267,832)
Culture and recreation	(502,693)	-	123,400	-	(379,293)	-	(379,293)
Economic development	(316,602)	-	9,000	-	(307,602)	-	(307,602)
Interest expense	(2,211,444)	-	-	-	(2,211,444)	-	(2,211,444)
Total governmental activities	(65,986,624)	9,828,097	7,089,664	2,180,528	(46,888,335)	-	(46,888,335)
Business -type activities:							
Housing services	(1,618,964)	409,788	725,035	-	-	(484,141)	(484,141)
Utilities department	(1,483,430)	1,740,658	70,297	-	-	327,525	327,525
Jail facility	(20,967,958)	10,848,317	15,897	-	-	(10,103,744)	(10,103,744)
Regional planning authority	(9,359)	-	-	-	-	(9,359)	(9,359)
Home sales	(838,910)	1,296,346	-	-	-	457,436	457,436
Total business-type activities	(24,918,621)	14,295,109	811,229	-	-	(9,812,283)	(9,812,283)
Total primary government	\$ (90,905,245)	\$ 24,123,206	\$ 7,900,893	\$ 2,180,528	(46,888,335)	(9,812,283)	(56,700,618)
General Revenues							
Property taxes		39,207,706					39,207,706
Gross receipt taxes		32,550,085					32,550,085
Other taxes		2,249,213					2,249,213
Investment income		3,951,150			191,709		4,142,859
Other		515,308			17,688		532,996
Contributions not restricted to a specific program		1,508,735			-		1,508,735
Total general revenues		79,982,197			209,397		80,191,594
Changes in net assets before transfers		33,093,862			(9,602,886)		23,490,976
Transfers		(18,781,331)			18,781,331		-
Change in net assets		14,312,531			9,178,445		23,490,976
Net assets - beginning		76,459,347			14,115,817		90,575,164
Prior period restatement		26,452,738			-		26,452,738
Net assets - beginning as adjusted		102,912,085			14,115,817		117,027,902
Net assets - ending		\$ 117,224,616			\$ 23,294,262		\$ 140,518,878

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 3

Balance Sheet
Governmental Funds

June 30, 2006

	Major Funds						Total
	General	Special	Capital Project Funds			Non-Major Other Funds	
		Revenue Fund	Capital Outlay		General		
		EMS and Health Care	Gross Receipts Tax	Bond Series 2005	Obligation		
ASSETS							
Equity in pooled cash and investments - Unrestricted	\$ 23,713,215	\$ 595,920	\$ -	\$ -	\$ -	\$ 24,309,135	
Equity in pooled cash and investments - Restricted	1,815,290	2,129,729	23,599,469	13,267,449	39,465,205	80,277,142	
Receivables, net of allowance for uncollectible							
Accounts	67,344	-	-	-	-	67,344	
Taxes	4,637,536	832,089	1,566,311	-	3,198,594	10,234,530	
Interest	336,208	-	-	60,593	63,235	460,036	
Grantor agencies and other	564,364	-	-	-	3,048,029	3,612,393	
Mortgages	-	-	-	-	5,817,521	5,817,521	
Due from other funds	1,012,293	-	-	-	5,719	1,018,012	
Total assets	\$ 32,146,250	\$ 3,557,738	\$ 25,165,780	\$ 13,328,042	\$ 51,598,303	\$ 125,796,113	
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ 784,714	\$ 48,701	\$ 36,687	\$ 230,022	\$ 1,728,465	\$ 2,828,589	
Accrued payroll	393,345	77,505	-	-	46,703	517,553	
Due to other funds	-	-	-	-	1,018,012	1,018,012	
Deferred revenue	3,387,050	-	-	-	6,954,565	10,341,615	
Deposits held for others	-	-	-	-	104,207	104,207	
Total liabilities	4,565,109	126,206	36,687	230,022	9,851,952	14,809,976	
Fund Balance							
Reserved for							
Encumbrances	2,231,266	1,252,334	1,436,700	1,019,650	3,068,488	9,008,438	
Debt service	-	-	-	-	10,724,885	10,724,885	
Total reserved fund balance	2,231,266	1,252,334	1,436,700	1,019,650	13,793,373	19,733,323	
Unreserved, <i>reported in</i>							
Special Revenue	-	49,469	-	-	17,784,297	17,833,766	
Contingency	1,815,290	2,129,729	-	-	-	3,945,019	
Capital projects	-	-	23,692,393	12,078,370	10,143,681	45,914,444	
Unreserved - Undesignated	23,534,585	-	-	-	25,000	23,559,585	
Total unreserved fund balance	25,349,875	2,179,198	23,692,393	12,078,370	27,952,978	91,252,814	
Total fund balance	27,581,141	3,431,532	25,129,093	13,098,020	41,746,351	110,986,137	
Total liabilities and fund balance	\$ 32,146,250	\$ 3,557,738	\$ 25,165,780	\$ 13,328,042	\$ 51,598,303	\$ 125,796,113	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 4

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

June 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance Governmental Funds	\$ 110,986,137
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	66,386,405
Long-term liabilities, including bonds payable, and therefore are not reported in the governmental funds	(68,315,499)
Reductions of deferred revenue for property tax revenue recorded on full accrual basis. Governmental funds recognize tax revenue on the modified accrual basis	3,436,321
Accrual of interest on long-term obligations not recorded by the governmental funds until paid	(1,228,886)
Developer funded mortgages not recorded as revenue by the governmental funds until paid by the homeowners	5,817,521
Capitalized bond issuance and deferred costs, net of amortization, expensed by the governmental funds	253,528
Bond premium, net of amortization	<u>(110,911)</u>
Net assets governmental activities	<u><u>\$ 117,224,616</u></u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 5

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2006

	Major Funds					Total
	Special		Capital Project Funds			
	Revenue Fund		Capital Outlay	General	Non-Major	
	General	EMS and Health Care	Gross Receipts Tax	Obligation Bond Series 2005		
Revenues:						
Grants	\$ 1,754,243	\$ 249,525	\$ -	\$ -	\$ 7,266,424	\$ 9,270,192
Taxes and special assessments	36,313,562	4,784,944	9,205,854	-	22,938,755	73,243,115
Interest earnings	2,904,858	-	-	392,368	653,924	3,951,150
Charges for services, fines and penalties	1,906,418	4,068,710	-	-	3,852,969	9,828,097
Other	320,587	2,227	-	-	192,494	515,308
Total revenues	43,199,668	9,105,406	9,205,854	392,368	34,904,566	96,807,862
Expenditures:						
Current						
General government	14,906,976	-	-	-	866,944	15,773,920
Public safety	7,809,025	-	-	-	2,489,090	10,298,115
Highways and streets	4,771,030	-	-	-	2,511,479	7,282,509
Health and welfare	571,966	9,078,546	-	-	10,118,147	19,768,659
Culture and recreation	282,550	-	-	-	154,445	436,995
Economic development	-	-	-	-	316,602	316,602
Capital outlay	2,379,668	-	1,929,094	6,368,784	6,227,316	16,904,862
Debt service (principal and interest)	-	-	-	-	4,905,990	4,905,990
Debt issuance costs	-	-	-	81,638	84,607	166,245
Total expenditures	30,721,215	9,078,546	1,929,094	6,450,422	27,674,620	75,853,897
Excess (Deficiency) of Revenues over Expenditures	12,478,453	26,860	7,276,760	(6,058,054)	7,229,946	20,953,965
Other Financing Sources (Uses):						
Operating transfers, in	2,461,464	33,717	752,737	967,396	3,222,681	7,437,995
Operating transfers, out	(9,291,168)	-	(645,000)	(1,817,332)	(6,844,246)	(18,597,746)
Proceeds from refunding issue	-	-	-	-	8,604,656	8,604,656
Payment to refunded bonds escrow agent	-	-	-	-	(8,556,109)	(8,556,109)
Proceeds from bonds	-	-	-	20,006,010	888,889	20,894,899
Total other financing sources (uses)	(6,829,704)	33,717	107,737	19,156,074	(2,684,129)	9,783,695
Net changes in fund balance	5,648,749	60,577	7,384,497	13,098,020	4,545,817	30,737,660
Fund balance, beginning of year	21,932,392	3,370,955	17,744,596	-	37,200,534	80,248,477
Fund balance, end of year	\$27,581,141	\$ 3,431,532	\$ 25,129,093	\$13,098,020	\$41,746,351	\$110,986,137

The accompanying notes are an integral part to this statement.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit 6

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
Funds to the Statement of Activities

Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of
activities are different because:

Net changes in fund balance total governmental funds	\$ 30,737,660
Current year Capital Outlay expenditures capitalized in the statement of Net Assets	16,904,862
Depreciation expense recorded in the Statement of Activities	(9,450,227)
Debt Service principal payments expensed in the governmental funds, recorded as a reduction of long-term liabilities in the Statement of Net Assets	11,164,565
Proceeds of bonds issued during 2006 recorded as other financing sources in the governmental funds but as liabilities in the government wide financial statements	(29,378,889)
General fund payments expense for capital lease obligations and post closure costs recorded as a reduction of long-term liabilities	66,656
Capitalized bond issuance costs, net of amortization	253,528
Bond premium, net of amortization	(110,911)
Increase in compensated absences not recorded until paid by the governmental funds	(413,744)
Net increase in accrued interest expense not recorded until paid by the governmental funds	(95,555)
Current year developer funded mortgages not recorded as revenue in the governmental funds but recorded as deferred revenue	1,508,735
Net effect of full accrual accounting to record tax revenue in the Statement of Activities which is recorded on a modified accrual basis in the governmental financial statements	763,889
Contributed capital from governmental funds to the enterprise funds included in the transfer from governmental activities to Business-type activities	(7,621,580)
Loss on disposal of capital assets not recorded in the governmental funds	<u>(16,458)</u>
Change in net assets	<u>\$ 14,312,531</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 7

General Fund
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ 1,820,597	\$ 2,168,233	\$ 1,747,986	\$ (420,247)
Taxes and special assessments	33,567,200	34,006,482	35,797,488	1,791,006
Interest earnings	1,300,000	1,300,000	2,783,858	1,483,858
Charges for services	1,042,450	1,147,248	1,388,012	240,764
Licenses and permits	415,300	417,206	569,302	152,096
Other	50,000	107,635	406,896	299,261
Total revenues	38,195,547	39,146,804	<u>\$ 42,693,542</u>	<u>\$ 3,546,738</u>
Cash balance carryforward	2,482,397	5,325,241		
Total	<u>\$ 40,677,944</u>	<u>\$ 44,472,045</u>		
Expenditures:				
General government	\$ 19,756,183	\$ 21,929,620	\$ 18,662,969	\$ 3,266,651
Public Safety	7,356,085	8,399,148	8,060,727	338,421
Highways and streets	1,043,731	1,098,041	994,556	103,485
Health and welfare	705,993	932,392	602,956	329,436
Culture and recreation	534,618	641,137	592,097	49,040
Public Works	3,305,672	4,642,003	4,260,673	381,330
Total expenditures	<u>\$ 32,702,282</u>	<u>\$ 37,642,341</u>	<u>\$ 33,173,978</u>	<u>\$ 4,468,363</u>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	694,068	2,461,464	2,461,464	-
Operating transfers out	(8,669,730)	(9,291,168)	(9,291,168)	-
Total other financing sources (uses)	<u>\$ (7,975,662)</u>	<u>\$ (6,829,704)</u>	<u>\$ (6,829,704)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				
			\$ 2,689,860	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			2,285,668	
To record audit adjustment for expenses			(4,037)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			2,231,266	
Reversal of prior year accruals			<u>(1,554,008)</u>	
Change in net assets - GAAP basis			<u>\$ 5,648,749</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 8

EMS and Health Care
Statement of Revenues and Expenditures

Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ 343,953	\$ 343,953	\$ 249,525	\$ (94,428)
Taxes and special assessments	4,300,000	4,300,000	4,717,621	417,621
Interest earnings	-	-	-	-
Charges for services	4,010,239	4,719,910	4,392,800	(327,110)
Licenses and permits	55,000	55,000	131,140	76,140
Other	-	-	778	778
Total revenues	8,709,192	9,418,863	\$ 9,491,864	\$ 73,001
Cash balance carryforward	609,769	1,534,380		
Total	\$ 9,318,961	\$ 10,953,243		
Expenditures:				
General government	\$ 1,082,426	\$ 1,122,362	\$ 1,122,362	\$ -
Public safety	3,645,790	4,606,586	4,079,599	526,987
Highways and streets	-	-	-	-
Health and welfare	4,590,745	5,258,012	5,155,708	102,304
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	\$ 9,318,961	\$ 10,986,960	\$ 10,357,669	\$ 629,291
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	33,717	33,717	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 33,717	\$ 33,717	\$ -
Net income (loss) - Budgetary basis			\$ (832,088)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			832,090	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			1,252,334	
Reversal of prior year accruals			(1,191,759)	
Change in net assets - GAAP basis			\$ 60,577	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 9

Statement of Net Assets
Enterprise Funds

June 30, 2006

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
ASSETS						
Current Assets:						
Cash and investments- restricted	\$ 2,106,638	\$ 3,334,531	\$ 7,825,221	\$ 229,729	\$ 1,875,408	\$ 15,371,527
Accrued interest	-	1,315	65,267	-	-	66,582
Accounts receivable, net	72,427	319,607	1,418,031	-	-	1,810,065
Interfund balances	-	-	-	-	-	-
Notes receivable, net	-	4,183	-	-	-	4,183
Assets held for sale	-	-	-	-	1,236,426	1,236,426
Total current assets	<u>2,179,065</u>	<u>3,659,636</u>	<u>9,308,519</u>	<u>229,729</u>	<u>3,111,834</u>	<u>18,488,783</u>
Non-current Assets:						
Fixed assets - building, land, equipment jail facility and water system	7,365,262	9,417,954	29,453,007	6,015	-	46,242,238
Accumulated depreciation	(3,681,997)	(1,540,408)	(6,529,014)	(2,265)	-	(11,753,684)
Total fixed assets, net of depreciation	<u>3,683,265</u>	<u>7,877,546</u>	<u>22,923,993</u>	<u>3,750</u>	<u>-</u>	<u>34,488,554</u>
Deferred costs, net	-	-	377,011	-	-	377,011
Water rights	-	8,944,646	-	-	-	8,944,646
Mortgage receivable	-	-	-	-	192,951	192,951
Total assets	<u>\$ 5,862,330</u>	<u>\$ 20,481,828</u>	<u>\$ 32,609,523</u>	<u>\$ 233,479</u>	<u>\$ 3,304,785</u>	<u>\$ 62,491,945</u>
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts payable	\$ 8,523	\$ 107,312	\$ 342,296	\$ -	\$ -	\$ 458,131
Accrued payroll	15,837	13,526	243,824	-	-	273,187
Accrued interest	-	-	645,371	-	-	645,371
Interfund balances	-	-	-	-	-	-
Deposits held for others	59,173	15,812	-	-	-	74,985
Current portion of notes and bonds payable	113,499	-	735,000	-	-	848,499
Deferred revenue	-	-	-	-	192,951	192,951
Total current liabilities	<u>197,032</u>	<u>136,650</u>	<u>1,966,491</u>	<u>-</u>	<u>192,951</u>	<u>2,493,124</u>
Noncurrent Liabilities:						
Notes and bonds payable	4,948,445	-	26,310,000	-	-	31,258,445
Interest payable	5,446,114	-	-	-	-	5,446,114
Total noncurrent liabilities	<u>10,394,559</u>	<u>-</u>	<u>26,310,000</u>	<u>-</u>	<u>-</u>	<u>36,704,559</u>
Total liabilities	<u>10,591,591</u>	<u>136,650</u>	<u>28,276,491</u>	<u>-</u>	<u>192,951</u>	<u>39,197,683</u>
Net assets						
Invested in capital assets and water rights, net of related debt	(6,824,793)	16,822,192	(4,121,007)	3,750	-	5,880,142
Restricted for Debt service	-	-	2,249,000	-	-	2,249,000
Unrestricted	2,095,532	3,522,986	6,205,039	229,729	3,111,834	15,165,120
Total net assets	<u>(4,729,261)</u>	<u>20,345,178</u>	<u>4,333,032</u>	<u>233,479</u>	<u>3,111,834</u>	<u>23,294,262</u>
Total liabilities and net assets	<u>\$ 5,862,330</u>	<u>\$ 20,481,828</u>	<u>\$ 32,609,523</u>	<u>\$ 233,479</u>	<u>\$ 3,304,785</u>	<u>\$ 62,491,945</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 10

Statement of Revenues, Expenditures and Changes in Fund Net Assets

Enterprise Funds

Year Ended June 30, 2006

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Operating revenues						
Facilities rentals and charges for services	\$ 409,788	\$ -	\$ 10,848,317	\$ -	\$ -	\$ 11,258,105
Water sales, net	-	1,740,658	-	-	-	1,740,658
Miscellaneous	-	6,688	11,000	-	-	17,688
Sale of homes	-	-	-	-	1,296,346	1,296,346
Total operating revenues	<u>409,788</u>	<u>1,747,346</u>	<u>10,859,317</u>	<u>-</u>	<u>1,296,346</u>	<u>14,312,797</u>
Operating expenses						
Cost of sales	-	-	-	-	838,910	838,910
General	1,247,569	1,483,430	19,423,068	9,359	-	22,163,426
Total operating expenses	<u>1,247,569</u>	<u>1,483,430</u>	<u>19,423,068</u>	<u>9,359</u>	<u>838,910</u>	<u>23,002,336</u>
Operating income (loss)	<u>(837,781)</u>	<u>263,916</u>	<u>(8,563,751)</u>	<u>(9,359)</u>	<u>457,436</u>	<u>(8,689,539)</u>
Non-operating revenues (expenses)						
Interest on cash and investments	-	7,817	183,892	-	-	191,709
HUD operating subsidy and other federal/state funds	725,035	70,297	15,897	-	-	811,229
Interest expense on notes payable	(371,395)	-	(1,544,890)	-	-	(1,916,285)
Total non-operating revenues (expenses)	<u>353,640</u>	<u>78,114</u>	<u>(1,345,101)</u>	<u>-</u>	<u>-</u>	<u>(913,347)</u>
Net income (loss) before contributions and operating transfers	<u>(484,141)</u>	<u>342,030</u>	<u>(9,908,852)</u>	<u>(9,359)</u>	<u>457,436</u>	<u>(9,602,886)</u>
Capital Contributions						
Capital contributions from governmental funds	30,478	7,334,966	-	-	537,592	7,903,036
Capital assets contributions (expense)	(279,966)	-	-	(1,490)	-	(281,456)
Total capital contributions	<u>(249,488)</u>	<u>7,334,966</u>	<u>-</u>	<u>(1,490)</u>	<u>537,592</u>	<u>7,621,580</u>
Operating transfers in	300,489	180,198	10,579,064	100,000	-	11,159,751
Operating transfers (out)	-	-	-	-	-	-
Total transfers	<u>300,489</u>	<u>180,198</u>	<u>10,579,064</u>	<u>100,000</u>	<u>-</u>	<u>11,159,751</u>
Change in net assets	<u>(433,140)</u>	<u>7,857,194</u>	<u>670,212</u>	<u>89,151</u>	<u>995,028</u>	<u>9,178,445</u>
Net assets (deficit), beginning of year	<u>(4,296,121)</u>	<u>12,487,984</u>	<u>3,662,820</u>	<u>144,328</u>	<u>2,116,806</u>	<u>14,115,817</u>
Net assets (deficit), end of year	<u>\$ (4,729,261)</u>	<u>\$ 20,345,178</u>	<u>\$ 4,333,032</u>	<u>\$ 233,479</u>	<u>\$ 3,111,834</u>	<u>\$ 23,294,262</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 11

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2006

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Cash Flows from Operating Activities						
Cash received from customers and others	\$ 359,521	\$ 1,676,077	\$ 10,966,061	\$ 11,069	\$ 1,296,346	\$ 14,309,074
Cash payments to suppliers for goods and services	(330,749)	(627,711)	(8,874,475)	(8,587)	(105,177)	(9,946,699)
Cash payments to employees for services	(699,429)	(646,190)	(9,257,398)	-	-	(10,603,017)
Net cash provided (used) by operating activities	<u>(670,657)</u>	<u>402,176</u>	<u>(7,165,812)</u>	<u>2,482</u>	<u>1,191,169</u>	<u>(6,240,642)</u>
Cash Flows Provided from Noncapital Financing activities						
Cash from grantors and other	560,560	70,297	15,897	-	-	646,754
Cash from operating transfers in	300,489	180,198	10,579,064	100,000	-	11,159,751
Cash used to pay due to other funds	-	-	-	-	-	-
Net cash provided by noncapital financing activities	<u>861,049</u>	<u>250,495</u>	<u>10,594,961</u>	<u>100,000</u>	<u>-</u>	<u>11,806,505</u>
Cash Flows Provided from Capital and Related Financing Activities						
Payment of notes payable and accrued interest	-	-	(2,244,890)	-	-	(2,244,890)
Cash paid for fixed assets	(30,298)	(35,030)	(729,797)	-	-	(795,125)
Net cash (used by) provided by capital and related financing activities	<u>(30,298)</u>	<u>(35,030)</u>	<u>(2,974,687)</u>	<u>-</u>	<u>-</u>	<u>(3,040,015)</u>
Cash Flows from Investing Activities - Interest on cash and investment						
	-	20,790	183,100	-	-	203,890
Net increase (decrease) in cash and cash equivalents	160,094	638,431	637,562	102,482	1,191,169	2,729,738
Cash and investments at beginning of year	1,946,544	2,696,100	7,187,659	127,247	684,239	12,641,789
Cash and investments at end of year	<u>\$ 2,106,638</u>	<u>\$ 3,334,531</u>	<u>\$ 7,825,221</u>	<u>\$ 229,729</u>	<u>\$ 1,875,408</u>	<u>\$ 15,371,527</u>

The accompanying notes are an integral part of this statement.

(Continued)

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit 11

Statement of Cash Flows (Continued)

Enterprise Funds

Year Ended June 30, 2006

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (837,781)	\$ 263,916	\$(8,563,751)	\$ (9,359)	\$ 457,436	\$(8,689,539)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expenses	247,351	233,697	1,118,827	1,203	-	1,601,078
Bad debt expense	-	10,000	-	-	-	10,000
Change in assets and liabilities						
(Increase) decrease in accounts receivable	(49,583)	(132,967)	315,961	11,069	-	144,480
(Increase) decrease in notes receivable	-	48,725	-	-	-	48,725
(Increase) decrease in assets held for sale	-	-	-	-	733,733	733,733
Increase (decrease) in accounts payable and compensated absences	(36,396)	(27,129)	22,459	(431)	-	(41,497)
(Decrease) increase in deposits held for others	5,752	5,934	(59,308)	-	-	(47,622)
Total adjustments	<u>167,124</u>	<u>138,260</u>	<u>1,397,939</u>	<u>11,841</u>	<u>733,733</u>	<u>2,448,897</u>
Net cash provided by (used by) operating activities	<u>\$ (670,657)</u>	<u>\$ 402,176</u>	<u>\$(7,165,812)</u>	<u>\$ 2,482</u>	<u>\$ 1,191,169</u>	<u>\$(6,240,642)</u>

Supplemental information: Non monetary transactions - HUD forgave \$201,717 of interest and principal and contributed revenue was credited. Also the County governmental funds paid for \$30,478 of capital asset additions for Housing Services and \$7,334,966 of capital asset and water rights additions for the Utilities Department. Housing Services contributed \$279,966 of homes held for sale to the Home Sale fund and \$192,951 of mortgages receivable and corresponding deferred revenue. Other funds contributed \$257,626 of costs for homes held for sale to the Home Sales fund.

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 12

Agency Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2006

ASSETS

Equity in pooled cash and investments - restricted	\$ 1,847,531
Property taxes receivable	5,942,793
Total assets	<u>7,790,324</u>

LIABILITIES

Due to other governments	5,942,793
Overpayments and taxes paid in advance	814,488
Deposits held for others	566,550
Undistributed taxes to other entities	466,493
Total liabilities	<u>7,790,324</u>

Net assets \$ -

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Santa Fe County (County) was established by the laws of the Territory of New Mexico of 1852, under provisions of the act now referred to as Section 4-26-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provide the following services as authorized in the grant of powers: public safety (police, fire), highways and streets, sanitation, health and social services, low rent housing assistance, culture-recreation, public improvements, planning and zoning, and general administration services.

The County's entity wide financial statements sheet includes the accounts of all the County's operations. The County's major operations include sheriff and fire protection, collection of and distribution of property taxes, parks and recreation, planning and zoning, certain health social service, general administration service, low income housing assistance, jail operations and the utilities division.

Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statements 14 and 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. GASB 39 became effective July 1, 2003 which expanded the criteria of a component unit, and the Rancho Viejo Improvement District became part of the County's financial statements as a debt service fund.

There is not a separate governing body for the Rancho Viejo Improvement District and per the debt offering statement the County's Commissioners become the governing body. The funds from the debt benefited the County and accordingly, per GASB 39, the Rancho Viejo Improvement District fund is blended with the County's financial statements.

During July 1996, the Housing Authority's Board resigned and day to day operations became a County responsibility. The Authority operations are included in the financial statements as County enterprise and special revenue funds. The Santa Fe County Housing Authority Enterprise Fund is now known as Housing Services Enterprise Fund (Housing Services).

The Santa Fe County Water Company (Water Company) was organized for the purposes of planning, studying, designing, financing, constructing, purchasing, owning, operating, maintaining, and improving systems for the supply and distribution of water to and for the general public in one or more areas of Santa Fe County, New Mexico, pursuant to and in accordance with the Franchise Ordinance and other contractual agreements with the Commission, in order to promote the conservation of and efficient use of water (and for related purposes). During July 1996, the Water Company was dissolved and is now accounted for as a County enterprise fund.

The Water Company, now known as Santa Fe County Utilities Department (Utilities Department) is an enterprise fund and its operations had commenced June 28, 1996. Costs incurred in the planning and design of a water system have been capitalized and are amortized over the 50 year life of the water system.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

The financial statements of the County have been prepared to conform with generally accepted accounting principles (GAAP) as applied to governmental entities. The County is responsible for the fair presentation in the basic financial statements of its financial position, results of operations and cash flows of the proprietary funds in conformity with United States generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34). This statement affects the manner in which the County records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports. GASB 34 establishes new requirements and a new reporting model, much like private-sector financial reports, for the annual financial reports of state and local governments. The new format was developed to make annual reports of state and local governments easier to understand and more useful to users of governmental financial information.

Management Discussion and Analysis – GASB 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the County’s financial activities in the form of management’s discussion and analysis (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.

Government-wide Financial Statements –The reporting model includes financial statements prepared using full accrual accounting for all the County’s activities. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

Basis of Accounting

The basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements and
- Notes to the basic financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* including depreciation expense are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to other functions but is included in general government functions. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, enterprise funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as they are recorded.

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, generally are recorded when a liability is incurred, as under accrual accounting.

Fiduciary Fund Types (Agency funds) use the accrual basis of accounting. Agency funds are used to account for assets held as an agent for individuals, private organizations and other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Exceptions to this general rule include: debt service expenditures which are recorded when fund liabilities are due and to compensated absences which are recorded only when payable from current available financial resources.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, state shared taxes, investment income and charges for services. In accordance with GASB Statement 33, estimated property taxes, that are not available are recorded as both accounts receivable and deferred revenue. Gross receipts and other intergovernmental taxes are not recorded as the amounts are not estimable. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual, because they

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

are usually not measurable until payment is actually received.

The County reports deferred revenue on its governmental fund and government wide balance sheets. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods are met or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Customer contributions owed to the Utilities Department for the extension of the water system to their property is recorded as revenue when the customer begins to receive water service. Customer contributions owed to the Utilities Department are recorded as notes receivable and deferred revenue if water service has not yet been extended to the customer. Mortgage receivables owed to Housing Services Fund when the homeowner purchased the property under the Home Sales program is not owed unless the homeowner sells or refinances the property. These mortgages represent the deferred profit from the sale of the property. Ten percent of the mortgage balance is reduced each year the homeowner owns the property. Deferred revenue is recorded until the homeowner sells the property and the mortgage receivable is paid off.

Presentation of Funds

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The transactions of each fund are summarized in a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses/expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements. Governmental funds are reported as major funds in the accompanying financial statements if they meet both of the following criteria:

- *Ten percent criterion* – An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.
- *Five percent criterion* – An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any of the items for which it met the 10 percent criterion.

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial activities except those required to be accounted for in other funds. It is funded primarily through property, gross receipts and other miscellaneous taxes.

Capital Outlay Gross Receipts Tax Proceeds Fund. This capital project fund receives a ¼ cent gross receipt tax to be used for various capital projects.

EMS and Health Care Fund. This is a special revenue fund. The revenues and expenditures in the Emergency Service Fund (EMS) represent health and emergency services revenue, and associated health and emergency services. Revenues include the receipt of the full 1/8 cent Gross Receipt tax dedicated to emergency services and health

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Presentation of Funds (Continued)

services payments through a Memorandum of understanding with St. Vincent's Hospital. The EMS and Health Care Fund was established by the Board of County Commissioners.

General Obligation Bond Series 2005 – In the Fiscal Year 2005, voters approved the issuance of a Public Works bond in the amount of \$20 million to be used for various public works projects including certain road projects within the scope of the bond. This capital project fund contains the proceeds of this bond and the debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund.

The County has the following other non-major funds that are listed on the following pages of this report. Non Major Special Revenue on pages 60 to 62, Non Major Debt Service on page 95 and Non Major Capital Project Funds on page 103.

The County has elected to have all of its enterprise funds be classified as major funds. The following are the major enterprise funds.

Housing Services. This fund is used to account for the funding and expense of the County's Public Housing Authority. Revenue for this fund is derived from housing rentals and Housing and Urban Development (HUD) grants and subsidies.

Home Sales. This fund is used to account for the construction and sales of housing to eligible buyers of affordable housing.

Utilities Department. This fund is used to account for the funding and expense of the Water and Wastewater utilities of Santa Fe County.

Jail Facility. This fund is used to account for the funding and expense of the County Jail and Juvenile Facility, through charges for care of prisoners from outside jurisdictions, Juvenile Facility building rental, and General Fund transfers.

Regional Planning Authority. This fund is used to account for the funding and expense of the Regional Planning Authority, created by agreement between the City of Santa Fe and Santa Fe County.

Budgets

Budgets are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). Appropriations of funds unused or overspent during the fiscal year may be carried over into the next fiscal year by budgeting those amounts in the subsequent year's budget. For the June 30, 2006 actual to budget comparisons, the actual amounts are reported on the budgetary basis, which is considered to differ from the modified accrual basis for governmental fund types and accrual basis for the enterprise funds.

Differences between the budgetary basis and GAAP include the following:

1. The budget includes encumbrances (unperformed contracts for goods or services). GAAP does not include encumbrances.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

2. The budget does not include certain liabilities, receivables, and depreciation expense for enterprise funds. The GAAP basis financial statements do include these transactions.

Annual appropriated budgets are adopted for the general, special revenue, debt service, capital project and the enterprise funds. The Housing Services enterprise and special revenue budgets are also approved by HUD.

Annual Budget

Department heads and elected officials are required to complete budget request forms for each organizational unit. The Board of County Commissioners reviews the budget package and the amended budget is then adopted and approved by resolution. The Finance Department prepares the adopted budget for submission to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) by June 1, for interim approval. Before July 1, DFA grants interim approval of the budget. The County's final annual budget document, which incorporates any changes recommended by DFA/LGD is prepared and submitted to DFA/LGD by July 31. During September, the County's final annual budget is reviewed and certified by DFA/LGD.

After the annual budget is adopted, the following types of adjustments must be approved by the governing body through a resolution and submitted to DFA for review and approval:

- Budget increases
- Transfers of budget or cash between funds
- Budget decreases

Additionally, it is County policy to prepare an internal budget adjustment request form for the following:

- Transfer within organizational unit (between expenditure categories)
- Transfer between organization units (same department and same fund)

Organizational unit budgets are monitored by the Finance Department to ensure that DFA and County policy are being followed. Additionally, a mid-year budget review is conducted which may include a hearing with the County Manager, Finance Department staff, and department heads and elected officials. During the hearing, department goals and objectives and budget status are reviewed. This review may result in budget adjustments.

The legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level except for the following funds, whose legal level of budgetary authority is at the program or district level:

Emergency Medical Services
Fire Districts

The following funds were not budgeted in 2006:

Rancho Viejo Improvement District
Federal Forfeitures Fund
Home Sales
Fire Tax Revenue Bond Debt Service

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used for purchase orders, contracts, and other commitments for the expenditures of moneys to reserve that portion of the applicable appropriation, as an extension of formal budgetary integration. In Governmental Fund Types, encumbrances outstanding at year-end are reported as reservations of fund balances in governmental funds and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Equity in Pooled Cash and Investments

Equity in pooled cash and investments includes amounts in demand deposit accounts, money market accounts, certificates of deposit, U.S. Treasury securities, and repurchase agreements secured by collateral with a market value greater than 102% of the value of the agreement. The securities are held by a third party in the County's name. The market value of the repurchase agreements approximate cost at June 30, 2006. Interest earned is allocated to the applicable County funds based on the County's policy of allocating interest to those funds which are required by law or by debt covenants. The remaining interest income is recorded in the General Fund.

State statutes authorize the County to invest excess funds in United States bonds or treasury certificates, other instruments backed by the full faith and credit of the United States Government and other investments allowed by law. Money market investments with a remaining maturity of one year or less when purchased are stated at cost or amortized cost. U.S. Treasury Securities are accounted for at fair value in accordance with GASB 31.

The County adopted GASB Statement No. 40 "Deposit and Investment Risk Disclosures" for the year ended June 30, 2005 which had no financial statement effect but did require additional footnote disclosures related to deposits and investments.

Statement of Cash Flows

For purposes of reporting cash flows in proprietary funds, cash and cash equivalents include equity in pooled cash and all highly liquid investments with a maturity of three months or less when purchased.

Property Taxes Receivable

The County is responsible for assessing, collecting and distributing property taxes for its own operational and debt service purposes and certain outside entities. Unpaid property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable in two installments not later than December 10 and May 10. Collections and remittance of property taxes are accounted for in the County Treasurer's Agency Fund. Amounts are recognized as revenue in the applicable governmental fund types under accounting principles generally accepted in the United States. The property taxes receivable for the general fund and for the debt service in the governmental fund financial statements are net of an allowance for uncollectible.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds

These receivables and payables between funds are classified as "due from other funds" or "due to other funds" on the government fund balance sheet. There are no interfund balances that are not expected to be repaid within one year. Balances between governmental activities and business-type activities are shown as internal balances in the government-wide financial statements.

Restricted Assets

Cash excluding most of the general fund is reflected as restricted. Certain proceeds from the County's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also the cash in the enterprise funds are limited to their specific uses. The tenant security deposits applicable to the rental of housing units by the Housing Services enterprise fund and other Housing Services, and special revenue cash from the Department of Housing and Urban Development is restricted for its purposes.

Capital Assets

Capital assets, which include property, plant, equipment, and computer software are included in the equipment category, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Effective July 1, 2006 State law requires capitalization of capital assets greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. The County does not have internally developed software and has no capitalized library books. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, including infrastructure, have higher limits that must be met before they are capitalized. The County has no impaired assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	25-40 years
Buildings and structures	40 years
Machinery and equipment	3-10 years
Furniture and fixtures	5 years
Infrastructure	25-30 years

The County elected in 2003 not to retroactively implement the capitalization of infrastructure assets, until the 2006 fiscal year (see footnote 2). As a result, only the additions since 2003 had been capitalized until the 2006 fiscal year.

The Utilities Department consists of engineering costs and other expenses to plan and to build a water system. Depreciation expense is recorded by the Utilities Department over the estimated 50 year life of the water system. The Utilities Department depreciates its office furniture, vehicles and other assets over their applicable estimated lives that range from 3 to 5 years. The Housing Services enterprise fund depreciates its fixed assets over the estimated useful lives of the assets as follows: buildings – 40 years, all other assets – 5 years. The Jail Facility is being depreciated over a 40 year life and depreciates its office furniture, vehicles and other assets over their applicable estimated lives that range from 3 to 5 years. Interest expense from the bonds issued to construct the jail was capitalized as part of the construction cost.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Inventories and Assets held for Sale

Inventory items such as general supplies and parts are expensed when purchased since inventories are not material to the June 30, 2006 financial statements. Assets held for sale represent low income housing units available for sale.

Compensated Absences

Amounts of vested or accumulated vacation leave for governmental fund types are reported in the government wide financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees, in accordance with the provisions of governmental accounting. No liability is recorded for nonvesting accumulating sick leave benefits that are estimated, will be taken as "terminal leave" prior to retirement, or converted to annual leave during continued employment.

Long-term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are recognized as a liability in the applicable governmental activities business type activities or proprietary fund type statement of net assets. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such external debt is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. The County had no short-term debt activity for the year.

Fund Equity

Effective for the 2006 fiscal year the County implemented GASB Statement No. 46 Net Assets Restricted by Enabling Legislation an amendment of GASB Statement 34, which clarified the criteria of net assets restricted related to enabling legislation. There was no impact on the County's financial statements as a result of implementing this pronouncement.

Reserves in governmental funds represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Reserved for subsequent years' expenditures - This represents the amounts, other than carryover expenditures, which are designated for subsequent year expenditures in accordance with grantor statutes.

This includes the amounts required by the New Mexico Department of Finance and Administration of budgeted expenditures reserved to maintain adequate cash flow for contingency purposes.

Unreserved – Undesignated – This represents the excess of assets over liabilities of a governmental fund, which have not been reserved or designated for any purpose. These monies are available for unrestricted use by the County.

Bond Discounts and Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the period incurred. Bond discounts and issuance costs for proprietary funds and in the government-wide financial statements are deferred and amortized over the term of the bonds using the debt-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. These transactions are not eliminated in the government wide financial statements.

All other interfund transactions, except reimbursements, are reported as operations transfers. Contributions to the enterprise funds by the governmental funds of fixed assets are classified as non-operating revenue.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(2) Prior Period Adjustment

The County has retroactively recorded the infrastructure acquired after June 30, 1980 to comply with GASB 34 requirement of reporting infrastructure no later than four years after implementation of GASB Statement 34.

	Governmental Activities	
	Capital Assets	Net Assets
As, previously reported, net	\$ 40,117,070	\$ 76,459,347
Net effect of the prior period restatement for the retroactive recording of infrastructure		
Cost of right of way land	5,465,283	5,465,283
Cost of infrastructure	31,030,192	31,030,192
Accumulated depreciation	(10,042,737)	(10,042,737)
Net effect	26,452,738	26,452,738
Beginning balances, as adjusted	\$ 66,569,808	\$102,912,085

(3) Pooled Cash and Investments

The following is a summary of pooled cash and investments at June 30, 2006:

	Government-Wide Statement of Net Assets			Fiduciary Fund Financial Statements	Total
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Assets	
Cash and Investments	\$24,309,135	\$ -	\$ 24,309,135	\$ -	\$ 24,309,135
Restricted Cash and Investments	\$80,277,142	\$ 15,371,527	\$ 95,648,669	\$ 1,847,531	97,496,200
Total Cash and Investments					\$121,805,335

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The way that the County manages its exposure to interest rate risk is by investing in shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Thus most of the investments mature within one year. Investments in Federal Agency securities with maturities greater than one year but less than two years totaled \$12,528,728 at June 30, 2006. The only security with a schedule maturity greater than 2 years is a \$1,615,000 Federal Home Loan Bank (FHLB) bond that matures March 28, 2011, but can be called by FHLB on

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(3) Pooled Cash and Investments (Continued)

September 28, 2007. The County's investments in certificates of deposits are non negotiable certificate of deposits which can be redeemed before maturity without loss of principal balance.

The County follows the practice of pooling cash and investments of all funds, except for some of the debt service funds and certain other funds. Each fund's portion of total cash and investments is reflected in the balance sheet as equity in pooled cash and investments.

Pooled cash and investments held by the County include cash on deposit with financial institutions, money market accounts, certificates of deposit, repurchase agreements, federal agencies, treasury notes and treasury bills and mutual funds invested in government securities. The County investments comply with State law. Deposits are secured by both federal depository insurance and collateral pledged in the County's name held by a third party. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. Market values of all cash, deposits and investments with a maturity of one year or less at the time of the purchase approximate the cost of those assets.

The County did not participate in any reverse repurchase agreements or security lending agreements during the current fiscal year. The County also has no deposits or investments exposed to foreign currency risk.

All of the County's investments are insured, registered and the County's agent holds the securities in the County's name, therefore the County is not exposed to custodial credit risk.

Investments in securities of any individual issues, other than U.S. Treasury securities, mutual funds, local government investment pool, that represent 5% or more of the total government-wide investments at June 30, 2006 are as follows:

	<u>Investment Type</u>	<u>Amount</u>	<u>% of Investments</u>
Governmental Activities	Federal Home Loan Mortgage Securities	\$7,995,530	7.9%
	FHLB Securities	<u>\$8,723,592</u>	<u>8.6%</u>
	Total Federal agencies	\$16,719,122	16.5%
	Repurchase agreements	\$13,835,284	13.7%
Business-type Activities	None over 5%	-	

Investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, local government investment pool that represent five percent of the total investments by individual funds are as follow:

			<u>% of Investments</u>
Jail Facility	Repurchase agreement	\$2,249,616	100%
2005 GO Bond Proceeds	Federal Home Loan Mortgage Securities	\$7,695,527	60%
	FNMA Securities	<u>\$5,067,169</u>	<u>40%</u>
	Total Federal agencies	\$12,762,696	100%
Sheriff's Facility Bond Reserve	Repurchase agreement	\$425,900	100%

The carrying amounts of the County's deposits at financial institutions as of June 30, 2006, were \$20,532,760 at June 30, 2006. Bank balances before reconciling items were \$24,608,061 at June 30, 2006. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. The County is exposed to custodial risk of \$4,716,790 because deposits are uninsured and uncollateralized (See page 133) for the detailed schedule.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(3) Pooled Cash and Investments (Continued)

Credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by Standard and Poors, a nationally recognized statistical rating organization.

	<u>Credit Quality Ratings</u>	<u>Carrying Amount</u>
Petty cash and change funds	Not applicable	\$ 2,462
Total deposits	Not rated	<u>20,532,760</u>
Local government investment pool - invested by the State of New Mexico Office of the State Treasurer for the County, recorded at cost in accordance with GASB 31	Not rated	<u>54,229,649</u>
Cash held by NM Finance Authority which is on deposit with the State Treasurer	Not rated	6,312
Repurchase agreements	Not rated	16,084,900
Federal Agency Securities	AAA	26,168,646
U.S. Treasury bills	Not applicable	1,392,317
U.S. Treasury cash reserves mutual fund accounts	<u>Not applicable</u>	<u>3,388,289</u>
Total investments		<u>47,040,464</u>
 Total – all County deposits and investments		 <u>\$121,805,335</u>
 Amounts per financial statements:		
Agency funds equity in pooled cash and investments		\$ 1,847,531
Governmental Funds equity in pooled cash and investment – unrestricted		24,309,135
Governmental Funds equity in pooled cash and investment – restricted		80,277,142
Enterprise Funds equity in pooled cash and investments		<u>15,371,527</u>
		 <u>\$121,805,335</u>

The County's investments are held by agents of the County in the County's name. Repurchase agreements are collateralized in accordance with state law with securities issued by the U.S. Treasury or fully guaranteed as to payment by an agency of the U.S. government, and are secured with collateral held by third parties at a value of 102% of the repurchase agreement.

Market value is based on quoted market prices at year-end, costs approximate market value. Total investment income for the County for the year ended June 30, 2006 was \$4,142,859.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978 empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faiths and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(3) Pooled Cash and Investments (Continued)

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

(4) Interfund Assets and Liabilities

The Interfund Assets and Liabilities reported in the governmental fund balance sheet consist of the following.

	<u>Receivables</u>	<u>Payables</u>
General	\$ 1,012,293	\$ -
Non Major Special Revenue Funds:		
CFP Program	-	164,140
Alcohol Programs	-	252,401
Santa Fe River	-	123,400
Total Special Revenue Funds	-	539,941
Non Major Debt Service Funds:		
Fire Tax Revenue Bonds	5,719	-
Total Debt Service Funds	5,719	-
Non Major Capital Projects Funds:		
Road Projects	-	289,552
State Special Appropriations	-	114,966
Community Development Block Grants (CDBG)	-	67,834
Bond Proceeds – Fire Tax	-	5,719
Total Capital Projects Funds	-	478,071
Total County	\$ 1,018,012	\$ 1,018,012

All of the interfund receivables and payables are between the general fund and the other funds except for the \$5,719 interfund balance between the Fire Tax Revenue Bonds and Bond Proceeds – Fire Tax Funds, and are expected to be repaid within the next Fiscal Year.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(4) Interfund Assets and Liabilities (Continued)

Interfund Transactions

The County records transfers to fund the operations and projects of other funds to provide debt service and as otherwise needed and required.

	Transfers in (from other funds)	Transfers out (to other funds)	Major Funds							Total		
			General	EMS and Health Care	Capital Outlay Gross Receipts Tax	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority		Home Sales	General Obligation Bond Series 2005
General		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 967,396	\$ 1,494,068	\$ 2,461,464
EMS and Health Care		33,717	-	-	-	-	-	-	-	-	-	33,717
Capital Outlay Gross Receipts Tax		-	-	-	-	-	-	-	-	752,737	-	752,737
Housing Services		9,542	-	-	-	-	-	-	-	-	-	9,542
Utilities Department		3,816	-	-	-	-	-	-	-	-	467,329	471,145
Jail Facility		5,959,064	-	4,300,000	-	-	-	-	-	-	320,000	10,579,064
Regional Planning Authority		100,000	-	-	-	-	-	-	-	-	-	100,000
Home Sales		-	-	-	-	-	-	-	-	-	-	-
General Obligation Bond Series 2005		967,396	-	-	-	-	-	-	-	-	-	967,396
Other Non-Major Governmental		2,217,633	-	645,000	-	-	-	-	-	97,199	262,849	3,222,681
Total		\$ 9,291,168	\$ -	\$ 4,945,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,817,332	\$ 2,544,246	\$ 18,597,746

Significant transfers from the General Fund included transfers totaling \$5,959,064 for the operation of the Jail Facility and \$1,725,672 to the Road Fund for road maintenance and road projects. Also, the General Fund transferred to the General Obligation Bond Series 2005 Fund, \$967,396 for capital projects, which was transferred back to the General Fund upon the sale of the bonds. The GOB Series 2005 Fund also transferred \$752,737 to the Capital Outlay Gross Receipts Tax Fund to purchase water rights. Significant transfers from the Capital Outlay Gross Receipts Tax Fund included a transfer of \$4,300,000 to the Jail Facility Fund for an electronic monitoring program. Other significant transfers from Non-Major Governmental Funds were primarily \$800,000 from the New Mexico Finance Authority Loan Proceeds Fund to the General Fund for capital projects. Also, the Environmental Revenue Bond Fund transferred a total of \$760,000 to the General Fund (\$583,618), and the Utilities Department Fund (\$176,382), for solid waste costs.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(4) Interfund Assets and Liabilities (Continued)

Transfers from the governmental activities to the business type activities consist of transfers and contributed capital from the governmental funds to the business type funds in the governmental wide financial statements, and consist of the following:

Transfers in	\$ 7,437,995
Transfers out	(18,597,746)
Contributed capital	<u>(7,621,580)</u>
Transfers per page 14	<u>\$(18,781,331)</u>

(5) Capital Assets

The changes in Capital Assets for the year ended June 30, 2006 are as follows:

	June 30, 2005		June 30, 2005	Additions		June 30, 2006
	Balance	Restatement	Restated Balance	and transfers	Deletions	Balance
Non depreciable assets:						
Land	\$ 17,407,240	\$ -	\$ 17,407,240	\$ 1,472,550	\$ -	\$ 18,879,790
Right of way land	-	5,465,283	5,465,283	-	-	5,465,283
Assets being depreciated						
Buildings and improvements	31,662,319	-	31,662,319	5,016,137	-	36,678,456
Infrastructure	4,791,545	31,030,192	35,821,737	209,386	-	36,031,123
Equipment and vehicles	34,273,225	-	34,273,225	2,462,495	(998,904)	35,736,816
Furniture and fixtures	669,473	-	669,473	122,714	-	792,187
	<u>88,803,802</u>	<u>36,495,475</u>	<u>125,299,277</u>	<u>9,283,282</u>	<u>(998,904)</u>	<u>133,583,655</u>
Accumulated depreciation						
Buildings and improvements	(16,760,444)	-	(16,760,444)	(916,961)	-	(17,677,405)
Infrastructure	(404,891)	(10,042,737)	(10,447,628)	(1,227,465)	-	(11,675,093)
Equipment and vehicles	(30,657,483)	-	(30,657,483)	(7,147,363)	982,446	(36,822,400)
Furniture and fixtures	(863,914)	-	(863,914)	(158,438)	-	(1,022,352)
Total accumulated depreciation	<u>(48,686,732)</u>	<u>(10,042,737)</u>	<u>(58,729,469)</u>	<u>(9,450,227)</u>	<u>982,446</u>	<u>(67,197,250)</u>
	<u>\$ 40,117,070</u>	<u>\$ 26,452,738</u>	<u>\$ 66,569,808</u>	<u>\$ (166,945)</u>	<u>\$ (16,458)</u>	<u>\$ 66,386,405</u>

Depreciation expense was charged to the following functions of the County:

Governmental activities	
General government	\$ 3,499,673
Public Safety	2,653,182
Health and Welfare	459,042
Culture and recreation	65,698
Highways and streets	<u>2,772,632</u>
Total depreciation expense	<u>\$ 9,450,227</u>

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(5) Capital Assets (Continued)

The following is a summary of proprietary funds capital assets at June 30, 2006:

	June 30, 2005			June 30, 2006
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Housing Services				
Land	\$ 637,285	\$ -	\$ (15,820)	\$ 621,465
Assets being depreciated				
Equipment and vehicles	402,660	60,776	(13,403)	450,033
Buildings and improvements	6,682,214	-	(388,450)	6,293,764
	<u>7,722,159</u>	<u>60,776</u>	<u>(417,673)</u>	<u>7,365,262</u>
Less: Accumulated depreciation				
Equipment and vehicles	(357,622)	(90,007)	13,403	(434,226)
Buildings and improvements	(3,214,731)	(157,344)	124,304	(3,247,771)
Total accumulated depreciation	<u>(3,572,353)</u>	<u>(247,351)</u>	<u>137,707</u>	<u>(3,681,997)</u>
Net fixed assets	<u>\$ 4,149,806</u>	<u>\$ (186,575)</u>	<u>\$ (279,966)</u>	<u>\$ 3,683,265</u>
Utilities Department				
Land	\$ -	\$ 1,347,625	\$ -	\$ 1,347,625
Assets being depreciated				
Water system	7,072,123	596,592	-	7,668,715
Office equipment, furniture and vehicle	397,421	13,813	(9,620)	401,614
	<u>7,469,544</u>	<u>1,958,030</u>	<u>(9,620)</u>	<u>9,417,954</u>
Less: Accumulated depreciation				
Water system	(1,243,618)	(153,374)	-	(1,396,992)
Office equipment, furniture and vehicle	(72,713)	(80,323)	9,620	(143,416)
Total accumulated depreciation	<u>(1,316,331)</u>	<u>(233,697)</u>	<u>9,620</u>	<u>(1,540,408)</u>
Net fixed assets	<u>\$ 6,153,213</u>	<u>\$ 1,724,333</u>	<u>\$ -</u>	<u>\$ 7,877,546</u>
Jail Facility				
Land	\$ 126,781	\$ -	\$ -	\$ 126,781
Assets being depreciated				
Jail facility	27,200,695	32,006	-	27,232,701
Office equipment and furniture	1,153,251	618,276	(2,612)	1,768,915
Vehicles	271,746	79,515	(26,651)	324,610
	<u>28,752,473</u>	<u>729,797</u>	<u>(29,263)</u>	<u>29,453,007</u>
Less: Accumulated depreciation				
Jail facility	(4,737,499)	(681,882)	-	(5,419,381)
Office equipment and furniture	(547,981)	(353,783)	2,612	(899,152)
Vehicles	(172,210)	(64,922)	26,651	(210,481)
Total accumulated depreciation	<u>(5,457,690)</u>	<u>(1,100,587)</u>	<u>29,263</u>	<u>(6,529,014)</u>
Net fixed assets	<u>\$ 23,294,783</u>	<u>\$ (370,790)</u>	<u>\$ -</u>	<u>\$ 22,923,993</u>

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(5) Capital Assets (Continued)

	June 30, 2005		Deletions and	June 30, 2006
	<u>Balance</u>	<u>Additions</u>	<u>transfers</u>	<u>Balance</u>
Regional Planning Authority				
Equipment and machinery	\$ 13,466	\$ -	\$ (7,451)	\$ 6,015
Less: Accumulated depreciation				
Equipment and machinery	(7,023)	(1,203)	5,961	(2,265)
Total accumulated depreciation	<u>(7,023)</u>	<u>(1,203)</u>	<u>5,961</u>	<u>(2,265)</u>
Net fixed assets	<u>\$ 6,443</u>	<u>\$ (1,203)</u>	<u>\$ (1,490)</u>	<u>\$ 3,750</u>

Depreciation expense was \$247,351 for Housing Services, \$233,697 for the Utilities Department, \$1,100,587 for the Jail Facility and \$1,203 for the Regional Planning Authority for the year ended June 30, 2006, respectively.

(6) Receivables Notes and Mortgage Receivable

The following is a summary of receivables for the government wide financial statements at June 30, 2006.

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Accounts	\$ 2,033,534	\$ 3,184,632
Taxes		
Property	3,745,260	-
Gross receipts	6,488,622	-
Interest	460,036	66,582
Grantor and other	3,612,393	-
Allowance for uncollectible	<u>(1,965,542)</u>	<u>(1,374,567)</u>
	<u>\$ 14,374,303</u>	<u>\$ 1,876,647</u>
Mortgage	5,817,521	197,134
Allowance for uncollectible	<u>-</u>	<u>-</u>
	<u>\$ 5,817,521</u>	<u>\$ 197,134</u>

The County does not have an allowance on mortgages since the mortgages are secured by real estate and are considered fully collectable.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(7) Long-Term Obligations

The following is a summary of long-term obligations of the County for the year ended June 30, 2006:

	June 30, 2005			June 30, 2006	Due within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>one year</u>
Governmental Activities					
General obligation and gross receipts bonds	\$ 43,708,998	\$ 28,490,000	\$ (10,900,000)	\$ 61,298,998	\$ 6,870,000
Landfill closure and postclosure care costs	2,056,315	-	(42,973)	2,013,342	45,000
Capital lease obligations	145,168	-	(23,683)	121,485	23,683
Compensated absences	1,806,598	2,273,049	(1,859,305)	2,220,342	2,220,342
Bonds payable issued via NMFA	192,008	888,889	(234,565)	846,332	273,684
Component Unit - Rancho Viejo Improvement District	1,845,000	-	(30,000)	1,815,000	35,000
Total Debt	<u>49,754,087</u>	<u>31,651,938</u>	<u>(13,090,526)</u>	<u>68,315,499</u>	<u>9,467,709</u>
Plus Bond Premium	-	120,666	(9,755)	110,911	12,067
Less deferred amounts on refunding	-	(110,000)	9,880	(100,120)	11,000
Deferred issuance costs	-	<u>(163,648)</u>	<u>10,240</u>	<u>(153,408)</u>	<u>12,283</u>
Total Debt Net	<u>\$ 49,754,087</u>	<u>\$ 31,498,956</u>	<u>\$ (13,080,161)</u>	<u>\$ 68,172,882</u>	<u>\$ 9,503,059</u>

The governmental funds, primarily the general fund, has paid for compensated absences for the year ended June 30, 2006.

	June 30, 2005			June 30, 2006	Due within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>one year</u>
Business Type					
HUD notes payable	\$ 5,168,412	\$ -	\$ (106,470)	\$ 5,061,942	\$ 113,499
HUD interest payable	5,189,966	256,148	-	5,446,114	-
Jail facility	<u>27,745,000</u>	<u>-</u>	<u>(700,000)</u>	<u>27,045,000</u>	<u>735,000</u>
	<u>\$ 38,103,378</u>	<u>\$ 256,148</u>	<u>\$ (806,470)</u>	<u>\$ 37,553,056</u>	<u>\$ 848,499</u>

General obligation and gross receipts bonds consist of the following issues:

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(7) Long-Term Obligations (Continued)

Proceeds from prior years' general obligation bonds have been used for capital projects, open space, refunding, road improvements and a regional landfill and are payable from the County's collection of property taxes. Debt service payments are made by the debt service funds.

Date Issued	Interest Rate	Final Maturity Date	Original Bond Amount	June 30, 2006 Balance	Due within one year
February 1, 1997	5.0-7.5%	2016	\$ 10,500,000	\$ 300,000	\$ 300,000
February 1, 1997	4.1-5.7%	2027	6,000,000	5,090,000	140,000
June 15, 1999	4.5-7.0%	2018	12,000,000	11,820,000	-
June 15, 1999	3.7-4.4%	2007	4,310,000	1,345,000	670,000
May 1, 2001	4.4-5.5%	2018	8,500,000	6,735,000	625,000
November 1, 2001	4.0-4.625%	2017	8,000,000	6,355,000	460,000
June 13, 2003	1.18-2.80%	2008	2,293,998	1,163,998	435,000
August 18, 2005	3.25-4.192%	2016	8,490,000	8,490,000	90,000
October 31, 2005	4.0%-5.5%	2026	20,000,000	20,000,000	4,150,000
			<u>\$ 80,093,998</u>	<u>\$ 61,298,998</u>	<u>\$ 6,870,000</u>

During October 2005, the County issued \$20,000,000 of General Obligation Bonds secured by property tax revenue to provide funds for various road projects, equipment, water rights and water improvement projects as specified by the bond agreement. The interest rates range from 4.0% to 5.5% with the final bond payments due July 1, 2026.

On August 18, 2005, the County issued \$8,490,000 in General Obligation Bonds Series 2005 with an average interest rate of 3.6 percent to advance refund \$8,380,000 of outstanding 1997 Series bonds with an average interest rate of 5.2 percent. The net proceeds of \$8,520,145 (after payment of \$82,010 in underwriting fees, insurance, and other issuance costs) plus an additional \$35,964 of 1997 Debt Service funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 Series bonds. As a result, these 1997 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debts of \$110,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2016 using the effective-interest method. The County completed the advance refunding to reduce its total debt service payments over the next ten years by \$724,935 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$255,000.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(7) Long-Term Obligations (Continued)

During 2006 the County issued \$888,889 of bonds via the NM Finance Authority for acquiring real property secured by the County's gross receipts taxes. \$88,889 of the bond proceeds were set aside for debt service.

Date Issued	Interest Rate	Final Maturity Date	Original Bond <u>Amount</u>	June 30, 2006 <u>Balance</u>	Due within <u>one year</u>
May 1, 2006	2.64-2.90%	2009	<u>\$ 888,889</u>	<u>\$ 846,332</u>	<u>\$ 273,684</u>
			<u>\$ 888,889</u>	<u>\$ 846,332</u>	<u>\$ 273,684</u>

Scheduled maturities of general obligation, gross receipts and bonds payable issued through the NMFA are as follows for the years subsequent to June 30, 2006:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 7,143,684	\$ 2,546,412
2008	6,936,915	2,455,459
2009	3,934,731	2,159,027
2010	3,585,000	2,001,370
2011	3,480,000	1,852,161
2012-2016	18,275,000	6,883,793
2017-2021	11,260,000	2,978,141
2022-2026	7,130,000	1,097,550
2027	<u>400,000</u>	<u>24,000</u>
	<u>\$ 62,145,330</u>	<u>\$ 21,997,913</u>

Capitalized Lease Obligations

The County is obligated under the following leases accounted for on capital leases:

State Board of Finance, payable annually at \$5,350, Interest free. Secured by voting machines with final payment due December 2011	\$ 26,750
State Board of Finance, payable annually at \$7,133, Interest free. Secured by voting machines with final payment due December 2012	49,935
State Board of Finance, payable annually at \$11,200, Interest fee. Secured by voting machines with final payment due December 2009	<u>44,800</u>
	<u>\$ 121,485</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(7) Long-Term Obligations (Continued)

<u>Year Ending</u>	
2007	\$ 23,683
2008	23,683
2009	23,683
2010	23,683
2011	12,483
2012-2014	<u>14,270</u>
	<u>\$ 121,485</u>

Payments of principal and interest to the State Board of Finance were paid from the general fund and recorded as government service expenditures in the general fund governmental financial statements.

Landfill Closure and Postclosure Care Cost

The County follows GASB Statement No. 18, which requires that the current cost of landfill closure and postclosure care be recognized over the estimated life of the landfill.

State and federal laws and regulations require the County to place a final cover on the County-operated landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be incurred after the date the landfill stops accepting waste, the County reports these closure and postclosure care costs as a liability as of each balance sheet date. The County closed the landfill during fiscal year 1997. The \$2,013,342 reported as landfill closure and postclosure care liability at June 30, 2006 represents managements' estimate based on an expert hired to estimate the costs for standard monitoring and compliance to 2027. Annual ground water monitoring had demonstrated the County was not in compliance with ground water contamination. The County is now required to perform additional monitoring of the ground water. The County estimates it will expend approximately \$45,000 for postclosure costs in the next fiscal year and will be funded by general fund revenues. Current year expenditures of \$42,973 were paid by the General Fund. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal 2006. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Compensated Absences

A long-term liability amounting to \$2,220,342 at June 30, 2006 has been recorded representing the County's commitment to fund compensated absences from future operations. Vacation, compensating time and sick leave earned is cumulative; however, vacation time is limited to 240 hours that can be carried forward to the next calendar year. Excess time up to eighty hours can be sold back to the County if sufficient funding is available every January. Sick leave accumulated in excess of 240 hours is payable to employees at a rate equal to 50 percent of their hourly rate upon retirement. Employees can earn a maximum of 45 hours of compensatory time.

Prior Year Defeasance of Debt

In prior years, the County defeased the 1990 Facilities Project Revenue Bonds by placing proceeds in an irrevocable trust to provide for all future debt service payments for these bonds. Also during 2006, the County defeased \$8,380,000 of the 1997 bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the County's financial statements. On June 30, 2006, \$3,039,000 of the 1990 bonds and \$8,380,000 of the 1997 bonds outstanding are considered defeased.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(7) Long-Term Obligations (Continued)

Rancho Viejo Improvement District Bonds

The County issued \$1,950,000 of 7.25% Rancho Viejo Improvement District Bonds during the 2000 fiscal year to provide assistance in the development of land within Rancho Viejo Improvement District (District). These bonds are secured by a ten dollar per one thousand dollars of net taxable value within the District.

Proceeds were used for the water system and roads which had been donated to the County. Any remaining funds from the assessments from the property owners revert to the County after the debt is paid off. Effective July 1, 2003 because of the implementation of GASB 39, the District is a component unit of the County and the debt service activity and corresponding debt is included in the County's financial statements. The following is the debt service requirement for these bonds.

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2007	\$ 35,000	\$ 131,587	\$ 166,587
2008	35,000	129,050	164,050
2009	40,000	126,512	166,512
2010	40,000	123,612	163,612
2011	45,000	120,712	165,712
2012-2016	265,000	551,362	816,362
2017-2021	375,000	440,437	815,437
2022-2026	545,000	281,662	826,662
2027-2029	435,000	64,525	499,525
	<u>\$ 1,815,000</u>	<u>\$ 1,969,459</u>	<u>\$ 3,784,459</u>

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(7) Long-Term Obligations (Continued)

Notes Payable - (Housing Services Enterprise Fund)

The Housing Services Enterprise Fund has the following notes payable due to the Department of Housing and Urban Development (HUD). The long-term debt at June 30, 2006 was as follows:

Notes payable issued on December 10, 1982 for \$2,677,358 at 6.6% interest. Annual payments of \$201,717 due on November 1 with a maturity date of November 1, 2014. Payments of principal and interest are made by or forgiven by HUD on the Housing Authority's behalf	\$1,336,668
Other notes payable to HUD at various interest rates and terms	<u>3,725,274</u>
Total long-term debt	5,061,942
Less: current portion	<u>113,497</u>
Total long-term portion	<u>\$4,948,445</u>

No payments are being made on the other notes payable to HUD. The remaining debt and related interest is expected to be forgiven by HUD in the future.

The aggregate maturities of the Housing Services long-term debt at June 30, 2006 are as follows:

<u>Years Ending</u>	<u>Principal Amount Payable</u>
2007	\$ 113,497
2008	121,011
2009	129,020
2010	137,029
2011	145,038
2012-2016	153,047
2017-Thereafter	<u>4,263,300</u>
Total	<u>\$ 5,061,942</u>

Correctional System Revenue Bonds (Jail Facility Enterprise Fund)

During February 1997, the County issued \$30,000,000 of Correctional System Revenue Bonds. The County has used a substantial portion of the proceeds to construct a new adult detention facility in Santa Fe County. A portion of the proceeds may also be used to renovate the existing County detention facility into a juvenile facility. At June 30, 2006 interest rates range from 4.7% to 6.0%. The bonds are secured by the jail facility and income derived from the jail facility.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(7) Long-Term Obligations (Continued)

The maturities of the jail facility's long-term debt at June 30, 2006, is as follows:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 735,000	\$ 1,511,290	\$ 2,246,290
2008	775,000	1,474,540	2,249,540
2009	810,000	1,435,790	2,245,790
2010	850,000	1,394,480	2,244,480
2011	895,000	1,350,280	2,245,280
2012-2016	5,225,000	6,014,140	11,239,140
2017-2021	6,705,000	4,528,050	11,233,050
2022-2026	8,930,000	2,305,500	11,235,500
2027-2029	2,120,000	127,200	2,247,200
	<u>\$ 27,045,000</u>	<u>\$ 20,141,270</u>	<u>\$ 47,186,270</u>

Conduit Debt Obligations

The County has issued Project Revenue Bonds to provide assistance for the El Castillo Retirement Residences Project. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2006, there were two series of Project Revenue Bonds outstanding, with an aggregate principal amount payable of \$14,685,000.

The County has issued \$3,000,000 multi-family Housing Revenue Bonds in August 1998 to provide assistance for the construction of the Villa Grande Apartments. The bonds are secured by the revenues and mortgage of the property. The County is not obligated in any manner for repayment of these bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2006 the amount of bonds outstanding were \$3,000,000.

Total conduit debt outstanding at June 30, 2006 was \$17,685,000.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(8) Retirement, Health and Deferred Compensation Plans

PERA Retirement Plan

Substantially all of the County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Covered employees are required under the current plan to contribute 3.2875% of their gross salary for general member coverage in accordance with Municipal Division - General Coverage Plan 3, and 3.09% for police member coverage in accordance with Police Coverage Plan 4. The County is required by state statute to contribute the following percentages in accordance with the respective plans above: 19.0125% for general member coverage, and 27.76% for police member coverage. The contribution requirements may be amended by acts of the legislature.

The County contribution requirements for the years ended June 30, 2006, 2005 and 2004 were \$5,310,887, \$4,114,267 and \$3,789,224 respectively. The contributions were the required amounts from the County and employees.

Retiree Health Care Act Contributions

The Retiree Health Care Act (10-7C-1 to 10-7C-16 NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority and state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Volunteer Retirement Act, the Magistrate Retirement Act, or the Public Employees Retirement Act.

Eligible retirees are: (1) Retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires on or before July 1, 1995, in which event the time period required for employee and employer contributions shall become the period of time between July 1, 1990 and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.30 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution in an amount equal to 0.65 of one percent of the employee's annual salary. Each participating retiree pays a monthly premium for the basic single plan and an additional participation fee of five dollars (\$5) if eligible participant retired prior to July 1, 1990 and made no contributions to the plan. Participants may also enroll in optional plans of coverage.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(8) Retirement, Health and Deferred Compensation Plans (Continued)

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee and retiree) and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd. NE Suite 104, Albuquerque, New Mexico 87107.

For the fiscal year ended June 30, 2006, the County remitted \$316,539 in employer contributions and \$158,269 in employee contributions to the Retiree Health Care Authority.

(9) Fund Balance and Net Assets (Deficits)

The following funds had fund balance deficits at June 30, 2006:

Enterprise Funds

The Housing Services enterprise fund has a net assets deficit of \$(4,729,261) at June 30, 2006. The deficit is mainly a result of recording depreciation expense and accruing interest expense on notes payable balances which management believes the Department of Housing and Urban Development will forgive.

Special Revenue Funds

The CFP program has a fund balance deficit of \$(56,385) which will be funded by the General Fund in the next fiscal year. The Law Enforcement Protection Fund has a fund balance deficit of \$(3,359) that should be resolved by future revenue in the next fiscal year. The Corrections Fund has a fund balance deficit of \$(24,370) which should be resolved in the next fiscal year with future revenues.

The unreserved, undesignated fund balance (deficit) is the component of fund balances that represents the portion of the encumbrances which have not been billed to the applicable funding source.

(10) Applicable Segment Information

Housing Services - Accounts receivable

The aging of accounts receivable as of June 30, 2006 is as follows:

Current (0-60 days)	\$ 50,588
Past due (more than 61 days)	<u>150,274</u>
	200,862
Less allowance for uncollectible accounts	<u>(128,435)</u>
	<u>\$ 72,427</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(10) Applicable Segment Information (Continued)

Housing Services has \$59,173 in tenant deposits that are deposited in Housing Services general cash account. Housing Services has \$104,207 in Family Self Services Escrow deposits that are deposited in a separate bank account at First Community Bank and are accounted for in the Section Eight special revenue fund and the liabilities are included in deposits held for others.

(11) Commitments and Contingencies

The County receives funds from federal and state agencies. These funds are subject to audit and adjustment to the granting agency. Any disallowed amounts resulting from these audits would be required to be refunded. The County believes that the amounts, if any, that would be refunded would not have a material effect on the County's financial position at June 30, 2006.

Joint Powers Agreements

Santa Fe Solid Waste Management Agency – Under authorization of the New Mexico State Statute 11-1-1, the County of Santa Fe joined the City of Santa Fe to jointly undertake their powers to dispose of solid waste as mandated by state and federal regulations and provide a more efficient and cost-effective method of solid waste disposal to the County and City citizens.

The County and the City established the Santa Fe Solid Waste Management Agency (Agency) through a Joint Powers Agreement in February 1995, as a public entity separate from the County or the City. The agreement delegated to the Agency the power to plan for, operate, construct, maintain, repair, replace, or expand the facility. The County Commission and the City Council approve the annual budget. The Agency has the authority to adopt revenue bond ordinances so long as such an ordinance is duly ratified by the governing bodies of the County and the City. A five member staff advisory committee was established by the agreement and is comprised of the finance directors from the County and the City, the County public works department director, the City utilities department director and the Agency director. A five member citizens advisory committee was also established. The Agency is charged to comply with all laws, rules and regulations for operations under the permit issued from the New Mexico Environment Department. The Board of Directors for the Agency consists of four members who are appointed by the Board of County Commissioners and four members who are appointed by the City Mayor with the approval of the City Council. The Board meets at least quarterly.

The start-up costs, design, land acquisition and construction were funded by equal contributions from the County and City. The contributions and commitments from each entity to date is approximately \$5.8 million. The County did not contribute any funds to the Agency in the 2006 fiscal year. A final reconciliation has been done to ensure costs have been split equally between the County and City. The facility opened in May of 1997.

The facility is to be self-supporting for operations, equipment, future construction, debt service, accumulation of a reserve fund and all other costs through fees charged to the County, the City, and other private users. The land for the facility was purchased by the County and transferred to the Agency. The facility itself belongs to the Agency. The Agency has adopted its rate ordinance for use of the facility. If, for any reason, revenues are insufficient to pay costs of operations, the Agency Board must notify the County and City in order to negotiate steps that are reasonable and prudent in light of existing circumstances to ensure that any deficits accumulated or incurred by the Agency are not allowed to impair the operation, integrity or credit worthiness of the Agency. A bond issue was authorized in December 1996, by the Agency in the amount of \$6,260,000 to provide funds for the equipment required for the facility and the construction of the second landfill cell.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Financial Statements (Continued)

(11) Commitments and Contingencies (Continued)

The Agency has its own financial statements as a separate entity, audited on an annual basis. Complete financial statements for the Agency may be obtained at the Santa Fe Solid Waste Management Agency, 165 Caja Del Rio Road, Santa Fe, New Mexico 87502-6189.

Closure of the facility must be approved by the governing bodies of the County and City. Upon closure and sale of the facility, any proceeds remaining after settling all obligations will be split equally between the County and City.

Regional Emergency Communications Center District – Under the authorization of the New Mexico State Statute 11-1-1 through 11-1-7 and pursuant to the New Mexico Enhanced 911 Act 63-9D-41, the County and the City of Santa Fe have jointly undertaken their powers to operate and manage the Regional Emergency Communications Center District (RECC) to provide a more efficient and cost-effective method of providing centralized emergency enhanced 911 dispatch services to the region. The RECC was established as of July 1, 2002 as a public entity separate from the city or county. The Board of Directors consist of the City Manger, the City Police Chief, the City Fire chief, the County Manager, the County Sheriff, the County Fire Chief, and one member appointed by the City and County Managers to represent the community at-large. The operations physically lease space in a County facility. The salaries for the Director, the ITT Manager, and the initial equipment are shared equally by the City and County. The City provides funding for 69% of the expenses and the County provides 31%, an allocation which is reviewed annually to be based on the number of calls received from each jurisdiction. During the fiscal year both the County and the City paid \$125,600 towards a contingency reserve. Current year fiscal costs were \$467,700.

The RECC Agency has its own financial statements as a separate entity, audited on an annual basis. The City serves as the fiscal agent. Complete financial statements for the Agency may be obtained at the Regional Emergency Communications Center, South Highway 14, No. 35 Camino Justicia, Santa Fe NM

The City of Santa Fe and County have established a joint powers agreement for the Buckman Direct Diversion (BDD) water project. The BDD, estimated at \$120 million, will be the largest, single capital project for which the two local governments to address meeting the current and future needs of an adequate water supply within the area. The Buckman Surface Diversion will provide full access to the San Juan/Chama water rights and/or other native Rio Grande water rights currently held by the City and County. The proposed system will route Rio Grande surface water directly from the river through a conveyance system to a new water treatment facility where water will be conveyed to the various users. Costs incurred to date have been recorded to the Utilities Department enterprise fund as additions to water rights and the water system. Current fiscal year costs capitalized were \$6,759,591.

Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico County Insurance Authority (NMCIA), a public entity risk pool currently operating as a common risk management and insurance program for its member counties. The County pays an annual premium to NMCIA for all of its general and workers' compensation insurance coverage. The agreement for formation of the NMCIA provides that NMCIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of amounts that range from \$150,000 for property to \$300,000 for other liability claims.

Legal Proceedings

The County is subject to various legal proceedings which arise in the ordinary course of the County's operations. In the opinion of the County's management, the ultimate resolution of the matters will not have a material adverse impact on the financial position or results of operations of the County.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(11) Commitments and Contingencies (Continued)

Operating Leases

The County leases land and various equipment under operating leases. Leases are subject to future appropriation and as such cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2006 was approximately \$254,751.

The future minimum lease payments under operating leases for the County is as follows:

Years ending June 30,

2007	\$ 216,195
2008	221,847
2009	199,764
2010	89,577
2011	77,359
2012-2016	386,378
2017-2021	490,908
2022-2026	395,918
2027-2030	<u>90,415</u>
	<u>\$ 2,168,361</u>

(12) Accounting Standard Pronouncements

The GASB issued Statement 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement 47 "Accounting for Termination Benefits" and GASB 46 "Net Assets Restricted by Enabling Legislation" which were implemented for the County's fiscal year ended June 30, 2006. The effect of GASB 42 on the County is how a capital asset impairment is measured, reported and disclosed in the financial statements and the accounting for any insurance recovery. GASB 47 relates to accounting for termination benefits. GASB 46 clarified the criteria of net assets restricted related to enabling legislation. The implementation of the statements had no impact on the County.

In April 2004, GASB issued Statement 43 "Financial Reporting for Post Employment Plans other than Pension Plans and in June 2004, which is effective for the County's fiscal year ending June 30, 2007. GASB issued Statement 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions" which is effective for the County's fiscal year ending June 30, 2008. The County belongs to the Retiree Health Care Authority and makes contributions based on state law. The County has not assessed the future impact on its financial statements due to these GASB pronouncements.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit A-1

Capital Project Fund
Capital Outlay - Gross Receipts Tax
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	8,600,000	8,600,000	9,150,908	550,908
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	8,600,000	8,600,000	<u>\$ 9,150,908</u>	<u>\$ 550,908</u>
Cash balance carryforward	-	15,891,153		
Total	<u>\$ 8,600,000</u>	<u>\$ 24,491,153</u>		
Expenditures:				
General government	\$ 8,600,000	\$ 24,698,890	\$ 3,465,794	\$ 21,233,096
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	<u>\$ 8,600,000</u>	<u>\$ 24,698,890</u>	<u>\$ 3,465,794</u>	<u>\$ 21,233,096</u>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	752,737	752,737	-
Operating transfers out	-	(545,000)	(545,000)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 207,737</u>	<u>\$ 207,737</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ 5,892,851	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			54,946	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			1,436,700	
Reversal of prior year accruals			-	
Change in net assets - GAAP basis			<u>\$ 7,384,497</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit B-1

Capital Project Fund
General Obligation Bond Series 2005
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	392,368	392,368
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	<u>\$ 392,368</u>	<u>\$ 392,368</u>
Cash balance carryforward	-	-		
Total	\$ -	\$ -		
Expenditures:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	425,000	19,156,072	7,470,072	11,686,000
Total expenditures	\$ 425,000	\$ 19,156,072	\$ 7,470,072	\$ 11,686,000
Other financing sources (uses):				
Bond proceeds	\$ -	\$ 20,006,009	\$ 20,006,010	\$ 1
Operating transfers in	425,000	967,396	967,396	-
Operating transfers out	-	(1,817,333)	(1,817,332)	1
Total other financing sources (uses)	\$ 425,000	\$ 19,156,072	\$ 19,156,074	\$ 2
Net income (loss) - Budgetary basis			\$ 12,078,370	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			-	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			1,019,650	
Reversal of prior year accruals			-	
Change in net assets - GAAP basis			\$ 13,098,020	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit C-1

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2006

ASSETS	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Equity in pooled cash investments - Restricted	\$ 19,281,701	\$ 10,504,898	\$ 9,678,606	\$ 39,465,205
Equity in pooled cash investments - Unrestricted	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Taxes	2,238,475	862,986	97,133	3,198,594
Interest	-	12,357	50,878	63,235
Grantor agencies and other	790,654	-	2,257,375	3,048,029
Mortgages	5,817,521	-	-	5,817,521
Due from other funds	-	5,719	-	5,719
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets and other debits	<u>\$ 28,128,351</u>	<u>\$ 11,385,960</u>	<u>\$ 12,083,992</u>	<u>\$ 51,598,303</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,007,934	\$ -	\$ 720,531	\$ 1,728,465
Accrued payroll	46,703	-	-	46,703
Due to other funds	539,941	-	478,071	1,018,012
Deferred income	6,293,490	661,075	-	6,954,565
Deposits held for others	104,207	-	-	104,207
Total	<u>7,992,275</u>	<u>661,075</u>	<u>1,198,602</u>	<u>9,851,952</u>
Fund Balance				
Reserved for:				
Encumbrances	2,351,779	-	716,709	3,068,488
Debt service	-	10,724,885	-	10,724,885
Total reserved fund equity	<u>2,351,779</u>	<u>10,724,885</u>	<u>716,709</u>	<u>13,793,373</u>
Unreserved - Designated for:				
Subsequent year expenditures by grant or law	17,784,297	-	-	17,784,297
Capital improvements	-	-	10,143,681	10,143,681
Unreserved - Undesignated	-	-	25,000	25,000
Total unreserved fund balances	<u>17,784,297</u>	<u>-</u>	<u>10,168,681</u>	<u>27,952,978</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>20,136,076</u>	<u>10,724,885</u>	<u>10,885,390</u>	<u>41,746,351</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, fund equity	<u>\$ 28,128,351</u>	<u>\$ 11,385,960</u>	<u>\$ 12,083,992</u>	<u>\$ 51,598,303</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit C-2

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non Major Funds

Year Ended June 30, 2006

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Grants	\$ 5,085,896	\$ -	\$ 2,180,528	\$ 7,266,424
Taxes and special assessments	12,974,596	9,964,159	-	22,938,755
Interest earnings	78,923	50,467	524,534	653,924
Charges for services, fines and penalties	3,852,969	-	-	3,852,969
Other	187,290	-	5,204	192,494
Total revenues	<u>22,179,674</u>	<u>10,014,626</u>	<u>2,710,266</u>	<u>34,904,566</u>
Expenditures - Current				
General government	866,944	-	-	866,944
Public safety	2,489,090	-	-	2,489,090
Highways and streets	2,511,479	-	-	2,511,479
Health and welfare	10,118,147	-	-	10,118,147
Culture and recreation	154,445	-	-	154,445
Economic development	316,602	-	-	316,602
Capital outlay	-	-	6,227,316	6,227,316
Debt service (principal and interest)	-	4,905,990	-	4,905,990
Debt issuance costs	-	84,607	-	84,607
Total expenditures	<u>16,456,707</u>	<u>4,990,597</u>	<u>6,227,316</u>	<u>27,674,620</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,722,967</u>	<u>5,024,029</u>	<u>(3,517,050)</u>	<u>7,229,946</u>
Other Financing Sources (Uses)				
Operating transfers, in	1,881,699	689,283	651,699	3,222,681
Operating transfers, out	(5,021,397)	(760,000)	(1,062,849)	(6,844,246)
Proceeds from refunding issue	-	8,604,656	-	8,604,656
Payment to refunded bonds escrow agent	-	(8,556,109)	-	(8,556,109)
Proceeds from bonds	-	88,889	800,000	888,889
Total other financing sources (uses)	<u>(3,139,698)</u>	<u>66,719</u>	<u>388,850</u>	<u>(2,684,129)</u>
Net changes in fund balances	2,583,269	5,090,748	(3,128,200)	4,545,817
Fund balance, beginning of year	<u>17,552,807</u>	<u>5,634,137</u>	<u>14,013,590</u>	<u>37,200,534</u>
Fund balance end of year	<u>\$ 20,136,076</u>	<u>\$ 10,724,885</u>	<u>\$ 10,885,390</u>	<u>\$ 41,746,351</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS

Corrections Fund. Corrections fees levied by the Magistrate courts (e.g. a \$10 fee associated with a speeding or seat belt violation) are distributed to the County. This revenue is utilized in the local corrections system. These funds are to be used for the operation of the County jail and other costs related to housing County prisoners. See Section 33-3-25, NMSA 1978 Compilation.

Valuation Fund. A one-percent administrative charge is assessed against the property tax collections of all taxing entities in the County. This revenue is utilized by the Assessor in property valuations. See NMSA Compilation Section 7, Article 38-38-1.

Road Maintenance. Road Fund revenues consist of half of the vehicle registration fees in the county (the other half goes to municipalities), and a 21 cent per gallon gasoline tax, both collected and distributed to the County by the State of New Mexico. Also, the federal government collects a logging fee of which 25% is distributed to school districts and the County Road Fund. However, Road Fund expenses are also funded by transfers from the General Fund. State law mandates that the Road Fund expenses are funded by transfers from the General Fund. State law mandates that the Road Fund be utilized for "the construction, reconstruction, improvement and maintenance of county roads...". See Section 67-4-1, NMSA, 1978 Compilation.

Emergency Medical Services. The Emergency Medical Services Fund Act (NMSA 1978 Chapter 24, Articles 10A&B) make funds available from the State general fund "to incorporated municipalities, counties, or fire districts for use in establishment of emergency medical services, in order to reduce injury and loss of life." See Section 24-10A-1, NMSA 1978 Compilation.

Farm and Range. The Farm and Range Improvement Act directs the county commissioners to expend funds that are derived from the state's share of the 1934 Taylor Grazing Act public lands grazing district fees paid to the Bureau of Land Management. The funds may be used for the purposes of soil and water conservation, control of rodents and predatory animals, extermination of poisonous noxious weeds, and construction and maintenance of secondary roads within the County. See Section 6-11-6, NMSA, 1978 Compilation.

Fire Fund. Revenues of the Fire Fund are derived from County-levied Fire Protection fees, and fees on property and motor vehicle insurance businesses, which are collected by the State. Fire Protection Fund distributions to the County must be used for maintenance of fire departments, the purchase, construction, maintenance, repair and operation of fire stations and substations, fire apparatus, and equipment, and the payment of insurance premiums on fire stations, substations, and fire fighters. See Section 59A-53-5, NMSA, 1978 Compilation.

Law Enforcement Protection Fund. The Law Enforcement Protection Fund derives its revenue from 10% of fees, licenses, penalties and taxes from life, general casualty and title insurance business pursuant to the New Mexico Insurance Code (Chapter 59A NMSA 1978). A distribution of this revenue is made to the County on the basis of population and the number of full-time certified County police officers. Proceeds from this fund may be spent on law enforcement equipment, advanced law enforcement training, and as a match to federal law enforcement grants. See Section 29-13-1, NMSA, 1978 Compilation.

Lodgers' Tax. A four percent (4%) Hotel/Motel occupancy tax is the source of revenue to the two Lodgers Tax funds. Fifty percent (50%) of the proceeds from the first three percent (3%) and 100% of the next one percent (1%) of the occupancy tax is used for advertising tourist attractions in Santa Fe County. Fifty percent (50%) of the proceeds from the first three percent (3%) of the occupancy tax is designated to equip, furnish, and improve tourist facilities and to administer the tax. Established pursuant to Santa Fe County Lodgers' Occupancy Tax ordinance.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

Fire Impact Fees. It consists of fees charged for new development, review, inspection, and permit required applications pursuant to Santa Fe County Fire Code, ordinance 1998-11. The proceeds are primarily used for capital improvements and facility expansion.

Recreation. One cent of a 21 cent per pack state cigarette tax is designated for "County and municipal recreation funds." The fund is designated for "operating recreational facilities, including salaries of instructors and other employees." See Section 7-12-15, NMSA, 1978 Compilation.

Clerk Recording. The fee for recording deeds, mortgages, contracts, liens, bills of sale, power of attorney, minim location, transcript of judgment, etc. is \$9 for the first page and \$2 for each subsequent page. Of this fee, \$4 of the \$9 for the first page is designated as an equipment recording fee and is received into this fund. New Mexico law stipulates that this fund is designated "for the purchase of equipment associated with recording, filing, maintaining or reproducing document See Section 14-8-12.2 NSMA 1978 Compilation.

Indigent Hospital. A 1/8 cent Gross Receipts Tax levied in the entire county and received into this fund is dedicated to hospital care, ambulance services or other health care services to indigent person living the County. In addition, the fund provides revenues to match federal funds to the State Medicaid program. See Section 7-20-2, NMSA, 1978 Compilation.

Economic Development Fund. Provide services in support of economic diversification, transition and development programs within Santa Fe County. As per the Department of Energy's Economic Development Community Assistance Program pursuant to Section 3161 of the 1993 Defense Appropriations Act.

Federal Forfeitures Monies. Money from federal seizures associated with anti-drug law enforcement activities is received in this fund and spent by the Sheriff's office in these activities. Revenue in this fund is not anticipated in the initial budget, but receipts occur during the fiscal year. Established by the County to account for federal forfeitures monies required by federal statute.

Section 8 Voucher Program. This fund handles rent subsidies received from HUD for "vouchers" to low-income persons renting housing in the private sector. This fund was created in accordance with the HUD contract.

Housing Services Grant Program. This fund handles HUD subsidies and grants pertaining to public housing in Santa Fe County. The County manages 221 public housing units located at three scattered housing neighborhoods. The Camino de Jacobo Housing Neighborhood (located off Airport Rd.) consists of 59 units. The Valle Vista Housing Neighborhood (off State Rd. 14) includes 100 units, and the Valle de Esperanza Housing Neighborhood located in Santa Cruz, New Mexico has a total of 52 units. On-site Boys and Girls Clubs are located at each housing neighborhood, funded through a General Fund transfer, and other federal grants pertaining to programs at the housing neighborhoods are also handled in this fund. This fund was created in accordance with the grant agreement.

CFP Program. This fund contains the Capital Fund Program (CFP) funded by the U.S. Department of Housing and Urban Development (HUD). These monies are used to make comprehensive repairs to the existing public housing of Santa Fe County, and are applied for and granted on an annual basis. This fund was created in accordance with the grant agreement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

Developer Fees. This fund had received approximately \$2 million in payments from the private Las Campanas housing development project into the County Affordable Housing program, which assists low income persons in the purchase of homes. Current revenue is from interest on the cash balance of this fund. Mortgages funded by another developer as part of an affordable housing program are recorded to this fund. Established by the County to account for funds contributed by Las Campanas Limited Partnership and others for affordable housing programs and other projects. The fund was created by the Board of County Commissioners.

Correctional Gross Receipts Tax. A 1/8 cent county-wide gross receipts tax was approved by the votes in 2004. This fund handles the receipt of the corrections gross receipts tax. Proceeds from this fund are transferred to the Jail Enterprise fund for the operation of the Adult Detention Facility.

Wildlife Mountain Trails. This fund was created in fiscal year 2000 when the County Board of Commissioners adopted a Resolution (2000-57) that "in all future property acquisition negotiations for Wildlife, Mountains, Trails and Historic Places Program, the County requires that participating landowners donate at least 5% of the fair market value of properties, as determined by an appraisal, in lieu of a real estate commission...to fund capital improvements and maintenance of properties acquired for the Program." This is paid through the title company to the County as part of the closing of the purchase of the property. This fund was created by action of the Board of County Commissioners.

Alcohol Programs. This fund was created by the County in fiscal year 2006 to handle state grants for DWI and Alcohol education grants and programs.

Detox Programs. This fund was created by the County in fiscal year 2006 to handle Federal and State grants for the construction and operation of Detox Facilities in the County.

Santa Fe River Restoration. This was created by the County to account for federal revenues and other funds used for purposes of restoring areas along the Santa Fe River in an effort to protect watersheds, water quality and access to water for wildlife.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet

June 30, 2006

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
ASSETS						
Equity in pooled cash and investments - restricted	\$ 6,074	\$707,705	\$ 1,183,548	\$ 115,336	\$ 4,635	\$ 5,669,387
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	78,182	-	-	318,032
Interest	-	-	-	-	-	-
Grantor agencies and other	-	298	-	-	-	-
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 6,074	\$708,003	\$ 1,261,730	\$ 115,336	\$ 4,635	\$ 5,987,419
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts payable	\$ 30,444	\$ 1,417	\$ 117,084	\$ 11,681	\$ -	\$ 220,678
Accrued payroll	-	12,093	20,347	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	30,444	13,510	137,431	11,681	-	220,678
Fund Balances (deficit):						
Reserved fund balance for encumbrances	28,405	308	341,877	16,708	-	1,133,405
Reserved fund balance by grant or law	-	694,185	782,422	86,947	4,635	-
Total reserved fund balance	28,405	694,493	1,124,299	103,655	4,635	1,133,405
Unreserved fund balance (deficit) designated for subsequent year expenditures	(52,775)	-	-	-	-	4,633,336
Total fund balance (deficit)	(24,370)	694,493	1,124,299	103,655	4,635	5,766,741
Total liabilities & fund balances	\$ 6,074	\$708,003	\$ 1,261,730	\$ 115,336	\$ 4,635	\$ 5,987,419

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2006

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Recreation	Clerk Recording	Indigent Hospital
ASSETS						
Equity in pooled cash and investments - restricted	\$ 24,359	\$ 1,093,006	\$ 3,152,445	\$ 10,293	\$ 299,302	\$ 1,867,459
Receivables, net of allowance for uncollectibles:						
Taxes	-	54,402	-	-	-	967,959
Interest	-	-	-	-	-	-
Grantor agencies and other	368	-	-	-	-	-
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 24,727	\$ 1,147,408	\$ 3,152,445	\$ 10,293	\$ 299,302	\$ 2,835,418
LIABILITIES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ 26,086	\$ 64,327	\$ 129,287	\$ 1,385	\$ 15,045	\$ 169,164
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	26,086	64,327	129,287	1,385	15,045	169,164
Fund Balance (deficit):						
Reserved fund balance for encumbrances	-	10,883	66,244	-	42,023	673,922
Reserved fund balance by grant or law	-	1,072,198	2,956,914	8,908	242,234	1,992,332
Total reserved fund balance	-	1,083,081	3,023,158	8,908	284,257	2,666,254
Unreserved fund balance (deficit) designated for subsequent year expenditures	(1,359)	-	-	-	-	-
Total fund balance (deficit)	(1,359)	1,083,081	3,023,158	8,908	284,257	2,666,254
Total liabilities & fund balances	\$ 24,727	\$ 1,147,408	\$ 3,152,445	\$ 10,293	\$ 299,302	\$ 2,835,418

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2006

Economic Development Fund	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Developer Fees
\$ 7,358	\$ 43,347	\$ 289,102	\$ 2,057,034	\$ -	\$ 1,391,106
-	-	-	-	-	-
-	-	-	-	-	-
-	-	19,320	-	114,122	-
-	-	-	-	-	5,817,521
-	-	-	-	-	-
\$ 7,358	\$ 43,347	\$ 308,422	\$ 2,057,034	\$ 114,122	\$ 7,208,627

ASSETS

Equity in pooled cash and investments - restricted
Receivables, net of allowance for uncollectibles:
Taxes
Interest
Grantor agencies and other
Mortgages
Due from other funds

Total assets

LIABILITIES & FUND BALANCE

Liabilities:

Accounts payable	\$ -	\$ 1,384	\$ -	\$ 6,367	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	164,140	-
Deferred revenue	-	135,557	-	-	5,817,521
Deposits held for others	-	104,207	-	-	-
Total liabilities	-	241,148	-	170,507	5,817,521

Fund Balance (deficit):

Reserved fund balance for encumbrances
Reserved fund balance by grant or law
Total reserved fund balance
Unreserved fund balance (deficit) designated for
subsequent year expenditures
Total fund balance (deficit)

Total liabilities & fund balances

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2006

	Correctional Gross Receipts Tax	Wildlife Mountain Trails	Alcohol Programs	Detox Programs	Santa Fe River	Totals
Equity in pooled cash and investments - restricted	\$ 633,277	\$ 415,430	\$ -	\$ 311,498	\$ -	\$ 19,281,701
Receivables, net of allowance for uncollectibles:						
Taxes	819,900	-	-	-	-	2,238,475
Interest	-	-	-	-	-	-
Grantor agencies and other	-	17,793	395,299	120,054	123,400	790,654
Mortgages	-	-	-	-	-	5,817,521
Due from other funds	-	-	-	-	-	-
Total assets	\$ 1,453,177	\$ 433,223	\$ 395,299	\$ 431,552	\$ 123,400	\$ 28,128,351

LIABILITIES & FUND BALANCE

Liabilities:						
Accounts payable	\$ -	\$ 635	\$ 130,071	\$ 82,879	\$ -	\$ 1,007,934
Accrued payroll	-	-	8,616	5,647	-	46,703
Due to other funds	-	-	252,401	-	123,400	539,941
Deferred revenue	-	-	-	340,412	-	6,293,490
Deposits held for others	-	-	-	-	-	104,207
Total liabilities	-	635	391,088	428,938	123,400	7,992,275
Fund Balance (deficit):						
Reserved fund balance for encumbrances	-	726	24,730	-	-	2,351,779
Reserved fund balance by grant or law	1,453,177	431,862	-	2,614	-	13,293,639
Total reserved fund balance	1,453,177	432,588	24,730	2,614	-	15,645,418
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	(20,519)	-	-	4,490,658
Total fund balance (deficit)	1,453,177	432,588	4,211	2,614	-	20,136,076
Total liabilities & fund balances	\$ 1,453,177	\$ 433,223	\$ 395,299	\$ 431,552	\$ 123,400	\$ 28,128,351

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2006

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
Revenues:						
Grants	\$ -	\$ -	\$ 42,406	\$ 110,245	\$ 938	\$ 1,090,473
Taxes and special assessments	-	816,379	706,097	-	-	1,675,122
Interest earnings	-	-	-	-	-	-
Charges for services and fees	189,705	-	11,118	-	-	-
Other	-	-	106,883	-	-	30,648
Total revenues	<u>189,705</u>	<u>816,379</u>	<u>866,504</u>	<u>110,245</u>	<u>938</u>	<u>2,796,243</u>
Expenditures:						
General government	-	672,884	-	-	5,000	-
Public safety	-	-	-	119,128	-	1,706,382
Highways and streets	-	-	2,511,479	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>672,884</u>	<u>2,511,479</u>	<u>119,128</u>	<u>5,000</u>	<u>1,706,382</u>
Excess (deficiency) of revenues over expenditures	<u>189,705</u>	<u>143,495</u>	<u>(1,644,975)</u>	<u>(8,883)</u>	<u>(4,062)</u>	<u>1,089,861</u>
Other financing sources (uses):						
Operating transfers in	-	8,271	1,725,672	-	-	-
Operating transfers out	(320,000)	-	-	-	-	-
Total other financing sources (uses)	<u>(320,000)</u>	<u>8,271</u>	<u>1,725,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(130,295)	151,766	80,697	(8,883)	(4,062)	1,089,861
Fund balance (deficit), beginning of year	105,925	542,727	1,043,602	112,538	8,697	4,676,880
Fund balance (deficit), end of year	<u>\$ (24,370)</u>	<u>\$ 694,493</u>	<u>\$ 1,124,299</u>	<u>\$ 103,655</u>	<u>\$ 4,635</u>	<u>\$ 5,766,741</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit D-2
Page 2 of 4

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2006

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Recreation	Clerk Recording	Indigent Hospital
Revenues:						
Grants	\$ 67,800	\$ 9,000	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	359,816	-	384	-	4,784,907
Interest earnings	-	37,800	-	-	-	-
Charges for services and fees	-	-	1,046,464	-	203,640	1,884,361
Other	-	-	-	-	-	14,466
Total revenues	<u>67,800</u>	<u>406,616</u>	<u>1,046,464</u>	<u>384</u>	<u>203,640</u>	<u>6,683,734</u>
Expenditures:						
General government	-	-	-	-	189,060	-
Public safety	93,814	-	485,951	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	6,324,462
Culture and recreation	-	-	-	2,500	-	-
Economic development	-	316,602	-	-	-	-
Total expenditures	<u>93,814</u>	<u>316,602</u>	<u>485,951</u>	<u>2,500</u>	<u>189,060</u>	<u>6,324,462</u>
Excess (deficiency) of revenues over expenditures	<u>(26,014)</u>	<u>90,014</u>	<u>560,513</u>	<u>(2,116)</u>	<u>14,580</u>	<u>359,272</u>
Other financing sources (uses):						
Operating transfers in	11,962	-	-	-	-	2,544
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>11,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,544</u>
Net change in fund balances	<u>(14,052)</u>	<u>90,014</u>	<u>560,513</u>	<u>(2,116)</u>	<u>14,580</u>	<u>361,816</u>
Fund balance (deficit), beginning of year	<u>12,693</u>	<u>993,067</u>	<u>2,462,645</u>	<u>11,024</u>	<u>269,677</u>	<u>2,304,438</u>
Fund balance (deficit), end of year	<u>\$ (1,359)</u>	<u>\$ 1,083,081</u>	<u>\$ 3,023,158</u>	<u>\$ 8,908</u>	<u>\$ 284,257</u>	<u>\$ 2,666,254</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2006

	Economic Development Fund	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Developer Fees
Revenues:						
Grants	\$ -	\$ -	\$1,815,314	\$ 243,401	\$ 467,225	\$ -
Taxes and special assessments	-	34,069	-	-	-	-
Interest earnings	-	-	-	-	-	41,123
Charges for services and fees	-	-	11,631	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	34,069	1,826,945	243,401	467,225	41,123
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	83,815	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,660,568	197,722	378,334	9,342
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	-	83,815	1,660,568	197,722	378,334	9,342
Excess (deficiency) of revenues over expenditures	-	(49,746)	166,377	45,679	88,891	31,781
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	(166,377)	(45,679)	(88,891)	-
Total other financing sources (uses)	-	-	(166,377)	(45,679)	(88,891)	-
Net change in fund balances	-	(49,746)	-	-	-	31,781
Fund balance (deficit), beginning of year	7,358	93,093	67,274	2,057,034	(56,385)	1,359,325
Fund balance (deficit), end of year	\$ 7,358	\$ 43,347	\$ 67,274	\$ 2,057,034	\$ (56,385)	\$ 1,391,106

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2006

	Correctional Gross Receipts Tax	Wildlife Mountain Trails	Alcohol Programs	Detox Programs	Santa Fe River	Totals
Revenues:						
Grants	\$ -	\$ -	\$ 866,831	\$ 248,863	\$ 123,400	\$ 5,085,896
Taxes and special assessments	4,597,822	-	-	-	-	12,974,596
Interest earnings	-	-	-	-	-	78,923
Charges for services	-	-	33,341	472,709	-	3,852,969
Other	-	35,293	-	-	-	187,290
Total revenues	<u>4,597,822</u>	<u>35,293</u>	<u>900,172</u>	<u>721,572</u>	<u>123,400</u>	<u>22,179,674</u>
Expenditures:						
General government	-	-	-	-	-	866,944
Public safety	-	-	-	-	-	2,489,090
Highways and streets	-	-	-	-	-	2,511,479
Health and welfare	-	-	828,761	718,958	-	10,118,147
Culture and recreation	-	28,545	-	-	123,400	154,445
Economic development	-	-	-	-	-	316,602
Total expenditures	<u>-</u>	<u>28,545</u>	<u>828,761</u>	<u>718,958</u>	<u>123,400</u>	<u>16,456,707</u>
Excess (deficiency) of revenues over expenditures	<u>4,597,822</u>	<u>6,748</u>	<u>71,411</u>	<u>2,614</u>	<u>-</u>	<u>5,722,967</u>
Other financing sources (uses):						
Operating transfers in	-	100,000	33,250	-	-	1,881,699
Operating transfers out	(4,300,000)	-	(100,450)	-	-	(5,021,397)
Total other financing sources (uses)	<u>(4,300,000)</u>	<u>100,000</u>	<u>(67,200)</u>	<u>-</u>	<u>-</u>	<u>(3,139,698)</u>
Net change in fund balances	297,822	106,748	4,211	2,614	-	2,583,269
Fund balance (deficit), beginning of year	1,155,355	325,840	-	-	-	17,552,807
Fund balance (deficit), end of year	<u>\$ 1,453,177</u>	<u>\$ 432,588</u>	<u>\$ 4,211</u>	<u>\$ 2,614</u>	<u>\$ -</u>	<u>\$20,136,076</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Corrections Fund			
		Original Budget	Final Budget	Actual	Variance- favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	320,000	320,000	248,537	(71,463)
	Other	-	-	-	-
	Total revenues	<u>320,000</u>	<u>320,000</u>	<u>\$ 248,537</u>	<u>\$ (71,463)</u>
	Cash balance carryforward	-	28,405		
	Total	<u>\$ 320,000</u>	<u>\$ 348,405</u>		
Expenditures:					
	General government services	\$ -	\$ 28,405	\$ 28,405	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 28,405</u>	<u>\$ 28,405</u>	<u>\$ -</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(320,000)	(320,000)	(320,000)	-
	Total other financing sources (uses)	<u>\$ (320,000)</u>	<u>\$ (320,000)</u>	<u>\$ (320,000)</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (99,868)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			28,405	
	Reversal of prior year accruals			<u>(58,832)</u>	
	Change in fund balance - GAAP basis			<u>\$ (130,295)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Valuation Fund			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	704,058	704,058	816,379	112,321
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>704,058</u>	<u>704,058</u>	<u>\$ 816,379</u>	<u>\$ 112,321</u>
Cash balance carryforward	169,413	170,313		
Total	<u>\$ 873,471</u>	<u>\$ 874,371</u>		
Expenditures:				
General government services	\$ 873,471	\$ 882,642	\$ 673,193	\$ 209,449
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>\$ 873,471</u>	<u>\$ 882,642</u>	<u>\$ 673,193</u>	<u>\$ 209,449</u>
Other financing sources (uses):				
Operating transfers in	\$ -	\$ 8,271	\$ 8,271	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 8,271</u>	<u>\$ 8,271</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ 151,457	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			-	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			309	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			<u>\$ 151,766</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2006

		Road Maintenance			Variance-
		Original	Final	Actual	Favorable
		Budget	Budget		(Unfavorable)
Revenues:					
Grants		\$ 40,000	\$ 40,000	\$ 42,406	\$ 2,406
Taxes and special assessments		675,000	675,000	736,758	61,758
Interest earnings		-	-	-	-
Charges for services		12,000	12,000	16,436	4,436
Other		-	105,250	106,883	1,633
	Total revenues	727,000	832,250	<u>\$ 902,483</u>	<u>\$ 70,233</u>
Cash balance carryforward		-	503,317		
	Total	<u>\$ 727,000</u>	<u>\$ 1,335,567</u>		
Expenditures:					
General government services		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Highways and streets		2,441,222	3,061,239	2,884,474	176,765
Health and welfare		-	-	-	-
Culture and recreation		-	-	-	-
Economic development		-	-	-	-
	Total expenditures	<u>\$ 2,441,222</u>	<u>\$ 3,061,239</u>	<u>\$ 2,884,474</u>	<u>\$ 176,765</u>
Other financing sources (uses):					
Operating transfers in		\$ 1,714,222	\$ 1,725,672	\$ 1,725,672	\$ -
Operating transfers out		-	-	-	-
	Total other financing sources (uses)	<u>\$ 1,714,222</u>	<u>\$ 1,725,672</u>	<u>\$ 1,725,672</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ (256,319)	
Reconciliation to GAAP basis income (loss):					
To record audit adjustment for revenue				78,103	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable				341,877	
Reversal of prior year accruals				(82,964)	
Change in fund balance - GAAP basis				<u>\$ 80,697</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2006

		Emergency Medical Services			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 126,275	\$ 110,236	\$ 110,245	\$ 9
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
		126,275	110,236	\$ 110,245	\$ 9
	Total revenues				
	Cash balance carryforward	-	86,051		
		\$ 126,275	\$ 196,287		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	126,275	196,287	135,836	60,451
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
		\$ 126,275	\$ 196,287	\$ 135,836	\$ 60,451
	Total expenditures				
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
		\$ -	\$ -	\$ -	\$ -
	Total other financing sources (uses)				
		\$ -	\$ -	\$ -	\$ -
	Net income (loss) - Budgetary basis			\$ (25,591)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			16,708	
	Reversal of prior year accruals			-	
				\$ (8,883)	
	Change in fund balance - GAAP basis				

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Farm and Range			Variance-
		Original	Final	Actual	Favorable
		Budget	Budget		(Unfavorable)
Revenues:					
	Grants	\$ 1,000	\$ 1,000	\$ 938	\$ (62)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	1,000	1,000	\$ 938	\$ (62)
Cash balance carryforward		4,000	4,000		
	Total	\$ 5,000	\$ 5,000		
Expenditures:					
	General government services	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ (4,062)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ (4,062)	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Fire Fund			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants	\$ 952,386	\$ 1,075,090	\$ 1,087,646	\$ 12,556
Taxes and special assessments	1,520,000	1,520,000	1,635,893	115,893
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Other	-	4,792	33,475	28,683
Total revenues	<u>2,472,386</u>	<u>2,599,882</u>	<u>\$ 2,757,014</u>	<u>\$ 157,132</u>
Cash balance carryforward	790,438	2,665,099		
Total	<u>\$ 3,262,824</u>	<u>\$ 5,264,981</u>		
Expenditures:				
General government services	\$ -	\$ -	\$ -	\$ -
Public safety	3,262,824	5,264,981	2,852,823	2,412,158
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>\$ 3,262,824</u>	<u>\$ 5,264,981</u>	<u>\$ 2,852,823</u>	<u>\$ 2,412,158</u>
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ (95,809)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			316,101	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			1,133,405	
Reversal of prior year accruals			(263,836)	
Change in fund balance - GAAP basis			<u>\$ 1,089,861</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2006

		Law Enforcement Protection Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 67,800	\$ 86,834	\$ 67,800	\$ (19,034)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>67,800</u>	<u>86,834</u>	<u>\$ 67,800</u>	<u>\$ (19,034)</u>
Cash balance carryforward		-	7,457		
	Total	<u>\$ 67,800</u>	<u>\$ 94,291</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	79,762	106,253	105,949	304
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 79,762</u>	<u>\$ 106,253</u>	<u>\$ 105,949</u>	<u>\$ 304</u>
Other financing sources (uses):					
	Operating transfers in	\$ 11,962	\$ 11,962	\$ 11,962	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ 11,962</u>	<u>\$ 11,962</u>	<u>\$ 11,962</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ (26,187)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			<u>12,135</u>	
Change in fund balance - GAAP basis				<u>\$ (14,052)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Lodger's Tax			Variance- Favorable (Unfavorable)
		Original Budget	Final Budget	Actual	
Revenues:					
	Grants	\$ -	\$ -	\$ 9,000	\$ 9,000
	Taxes and special assessments	367,800	367,800	364,305	(3,495)
	Interest earnings	-	-	37,800	37,800
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>367,800</u>	<u>367,800</u>	<u>\$ 411,105</u>	<u>\$ 43,305</u>
Cash balance carryforward		-	20,277		
	Total	<u>\$ 367,800</u>	<u>\$ 388,077</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	367,800	388,077	327,486	60,591
	Total expenditures	<u>\$ 367,800</u>	<u>\$ 388,077</u>	<u>\$ 327,486</u>	<u>\$ 60,591</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ 83,619	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			54,402	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			10,883	
	Reversal of prior year accruals			<u>(58,890)</u>	
	Change in fund balance - GAAP basis			<u>\$ 90,014</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Fire Impact Fees			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	256,623	1,046,464	789,841
	Other	-	-	-	-
	Total revenues	-	256,623	<u>\$ 1,046,464</u>	<u>\$ 789,841</u>
Cash balance carryforward		-	2,325,586		
	Total	<u>\$ -</u>	<u>\$ 2,582,209</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	2,582,209	595,100	1,987,109
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 2,582,209</u>	<u>\$ 595,100</u>	<u>\$ 1,987,109</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ 451,364	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			66,244	
	Reversal of prior year accruals			<u>42,905</u>	
	Change in fund balance - GAAP basis			<u>\$ 560,513</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Recreation			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	2,000	2,000	384	(1,616)
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>2,000</u>	<u>2,000</u>	<u>\$ 384</u>	<u>\$ (1,616)</u>
Cash balance carryforward		-	2,500		
	Total	<u>\$ 2,000</u>	<u>\$ 4,500</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	2,000	4,500	2,500	2,000
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 2,000</u>	<u>\$ 4,500</u>	<u>\$ 2,500</u>	<u>\$ 2,000</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ (2,116)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (2,116)</u>	

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2006

		Clerk Recording			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	150,000	150,000	203,640	53,640
	Other	-	-	-	-
	Total revenues	150,000	150,000	<u>\$ 203,640</u>	<u>\$ 53,640</u>
	Cash balance carryforward	88,300	189,874		
	Total	<u>\$ 238,300</u>	<u>\$ 339,874</u>		
Expenditures:					
	General government services	\$ 238,300	\$ 339,874	\$ 231,083	\$ 108,791
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 238,300</u>	<u>\$ 339,874</u>	<u>\$ 231,083</u>	<u>\$ 108,791</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (27,443)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			42,023	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 14,580</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Indigent Hospital			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	4,300,000	4,300,000	4,717,621	417,621
	Interest earnings	-	-	-	-
	Charges for services	1,847,340	1,847,340	1,748,985	(98,355)
	Other	-	-	14,466	14,466
	Total revenues	6,147,340	6,147,340	\$ 6,481,072	\$ 333,732
Cash balance carryforward		152,660	1,068,889		
	Total	\$ 6,300,000	\$ 7,216,229		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	6,300,000	7,218,773	6,998,383	220,390
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 6,300,000	\$ 7,218,773	\$ 6,998,383	\$ 220,390
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 2,544	\$ 2,544	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 2,544	\$ 2,544	\$ -
Net income (loss) - Budgetary basis				\$ (514,767)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			967,466	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			673,922	
	Reversal of prior year accruals			(764,805)	
	Change in fund balance - GAAP basis			\$ 361,816	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Economic Development Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
	Cash balance carryforward	-	734		
	Total	<u>\$ -</u>	<u>\$ 734</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	734	734	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 734</u>	<u>\$ 734</u>	<u>\$ -</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$	(734)
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue				-
	To record audit adjustment for expenses				-
	Audit entry to increase reserve for uncollectible accounts				-
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			734	
	Reversal of prior year accruals				-
	Change in fund balance - GAAP basis			<u>\$</u>	<u>-</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Federal Forfeitures Monies			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	34,069	34,069	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>-</u>	<u>34,069</u>	<u>\$ 34,069</u>	<u>\$ -</u>
Cash balance carryforward		85,274	85,378		
	Total	<u>\$ 85,274</u>	<u>\$ 119,447</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	85,274	119,447	83,989	35,458
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 85,274</u>	<u>\$ 119,447</u>	<u>\$ 83,989</u>	<u>\$ 35,458</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ (49,920)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue				-
	To record audit adjustment for expenses				-
	Audit entry to increase reserve for uncollectible accounts				-
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			174	
	Reversal of prior year accruals				-
Change in fund balance - GAAP basis				<u>\$ (49,746)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Section 8 - Voucher Program			
		Original Budget	Final Budget	Actual	Variance- favorable (Unfavorable)
Revenues:					
	Grants	\$ 1,847,003	\$ 1,847,003	\$ 1,950,871	\$ 103,868
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	9,102	9,102
	Other	-	-	-	-
	Total revenues	<u>1,847,003</u>	<u>1,847,003</u>	<u>\$ 1,959,973</u>	<u>\$ 112,970</u>
Cash balance carryforward		-	-		
	Total	<u>\$ 1,847,003</u>	<u>\$ 1,847,003</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,680,626	1,680,626	1,660,568	20,058
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 1,680,626</u>	<u>\$ 1,680,626</u>	<u>\$ 1,660,568</u>	<u>\$ 20,058</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(166,377)	(166,377)	(166,377)	-
	Total other financing sources (uses)	<u>\$ (166,377)</u>	<u>\$ (166,377)</u>	<u>\$ (166,377)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ 133,028	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			(107,556)	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			(25,472)	
Change in fund balance - GAAP basis				<u>\$ -</u>	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Housing Services Grant Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 45,679	\$ 45,679	\$ 380,368	\$ 334,689
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>45,679</u>	<u>45,679</u>	<u>\$ 380,368</u>	<u>\$ 334,689</u>
Cash balance carryforward		-	87,195		
	Total	<u>\$ 45,679</u>	<u>\$ 132,874</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	87,195	87,195	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 87,195</u>	<u>\$ 87,195</u>	<u>\$ -</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(45,679)	(45,679)	(45,679)	-
	Total other financing sources (uses)	<u>\$ (45,679)</u>	<u>\$ (45,679)</u>	<u>\$ (45,679)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ 247,494	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			(113,027)	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			2,500	
	Reversal of prior year accruals			(136,967)	
	Change in fund balance - GAAP basis			<u>\$ -</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		C/P Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 673,974	\$ 1,070,356	\$ 460,507	\$ (609,849)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>673,974</u>	<u>1,070,356</u>	<u>\$ 460,507</u>	<u>\$ (609,849)</u>
Cash balance carryforward		-	117,865		
	Total	<u>\$ 673,974</u>	<u>\$ 1,188,221</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	585,083	1,099,330	389,973	709,357
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 585,083</u>	<u>\$ 1,099,330</u>	<u>\$ 389,973</u>	<u>\$ 709,357</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(88,891)	(88,891)	(88,891)	-
	Total other financing sources (uses)	<u>\$ (88,891)</u>	<u>\$ (88,891)</u>	<u>\$ (88,891)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ (18,357)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			114,122	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			11,640	
	Reversal of prior year accruals			(107,405)	
	Change in fund balance - GAAP basis			<u>\$ -</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Developer Fees			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	41,123	41,123
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	<u>\$ 41,123</u>	<u>\$ 41,123</u>
	Cash balance carryforward	-	9,343		
	Total	<u>\$ -</u>	<u>\$ 9,343</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	9,343	9,342	1
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 9,343</u>	<u>\$ 9,342</u>	<u>\$ 1</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ 31,781	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 31,781</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Correctional Gross Receipt Tax			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	4,300,000	4,300,000	4,516,493	216,493
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	4,300,000	4,300,000	\$ 4,516,493	\$ 216,493
Cash balance carryforward		-	-		
	Total	\$ 4,300,000	\$ 4,300,000		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(4,300,000)	(4,300,000)	(4,300,000)	-
	Total other financing sources (uses)	\$ (4,300,000)	\$ (4,300,000)	\$ (4,300,000)	\$ -
Net income (loss) - Budgetary basis				\$ 216,493	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			819,900	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			(738,571)	
Change in fund balance - GAAP basis				<u>\$ 297,822</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Wildlife Mountain Trails			
		Original Budget	Final Budget	Actual	Variance- favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ 336,547	\$ -	\$ (336,547)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	3,748	17,500	13,752
	Total revenues	-	340,295	\$ 17,500	\$ (322,795)
Cash balance carryforward		23,464	40,972		
	Total	\$ 23,464	\$ 381,267		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	23,464	481,267	29,271	451,996
	Economic development	-	-	-	-
	Total expenditures	\$ 23,464	\$ 481,267	\$ 29,271	\$ 451,996
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 100,000	\$ 100,000	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 100,000	\$ 100,000	\$ -
Net income (loss) - Budgetary basis				\$ 88,229	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			17,793	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			726	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 106,748	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Alcohol Programs Fund			
		Original Budget	Final Budget	Actual	Variance- favorable (Unfavorable)
Revenues:					
	Grants	\$ 839,841	\$ 876,750	\$ 451,200	\$ (425,550)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	63,848	63,848	54,617	(9,231)
	Other	-	-	-	-
	Total revenues	903,689	940,598	\$ 505,817	\$ (434,781)
Cash balance carryforward		-	-		
	Total	\$ 903,689	\$ 940,598		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	803,239	873,398	853,491	19,907
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 803,239	\$ 873,398	\$ 853,491	\$ 19,907
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 33,250	\$ 33,250	\$ -
	Operating transfers out	(100,450)	(100,450)	(100,450)	-
	Total other financing sources (uses)	\$ (100,450)	\$ (67,200)	\$ (67,200)	\$ -
Net income (loss) - Budgetary basis				\$ (414,874)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			394,355	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			24,730	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 4,211	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Detox Programs Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 334,078	\$ 334,078	\$ 469,221	\$ 135,143
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	642,096	1,342,286	472,709	(869,577)
	Other	-	-	-	-
	Total revenues	976,174	1,676,364	<u>\$ 941,930</u>	<u>\$ (734,434)</u>
	Cash balance carryforward	-	-		
	Total	<u>\$ 976,174</u>	<u>\$ 1,676,364</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	976,174	1,676,364	936,214	740,150
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 976,174</u>	<u>\$ 1,676,364</u>	<u>\$ 936,214</u>	<u>\$ 740,150</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ 5,716	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			(220,358)	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			<u>217,256</u>	
	Change in fund balance - GAAP basis			<u>\$ 2,614</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Santa Fe River			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ 228,569	\$ -	\$ (228,569)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	228,569	<u>\$ -</u>	<u>\$ (228,569)</u>
	Cash balance carryforward	-	10,700		
	Total	<u>\$ -</u>	<u>\$ 239,269</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	239,269	230,700	8,569
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 239,269</u>	<u>\$ 230,700</u>	<u>\$ 8,569</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (230,700)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			123,400	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			<u>107,300</u>	
	Change in fund balance - GAAP basis			<u>\$ -</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Totals			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ 4,928,036	\$ 6,052,142	\$ 5,030,202	\$ (1,021,940)
Taxes and special assessments	11,868,858	11,902,927	12,821,902	918,975
Interest earnings	-	-	78,923	78,923
Charges for services	3,035,284	3,992,097	3,800,490	(191,607)
Other	-	113,790	172,324	58,534
	<u>19,832,178</u>	<u>22,060,956</u>	<u>\$ 21,903,841</u>	<u>\$ (157,115)</u>
Cash balance carryforward	1,313,549	7,423,955		
	<u>\$ 21,145,727</u>	<u>\$ 29,484,911</u>		
Expenditures:				
General government services	\$ 1,116,771	\$ 1,255,921	\$ 937,681	\$ 318,240
Public safety	3,554,135	8,269,177	3,773,697	4,495,480
Highways and streets	2,441,222	3,071,316	2,894,550	176,766
Health and welfare	10,345,122	12,635,686	10,925,824	1,709,862
Culture and recreation	25,464	725,036	262,471	462,565
Economic development	367,800	388,077	327,486	60,591
	<u>\$ 17,850,514</u>	<u>\$ 26,345,213</u>	<u>\$ 19,121,709</u>	<u>\$ 7,223,504</u>
Other financing sources (uses):				
Operating transfers in	\$ 1,726,184	\$ 1,881,699	\$ 1,881,699	\$ -
Operating transfers out	(5,021,397)	(5,021,397)	(5,021,397)	-
Total other financing sources (uses)	<u>\$ (3,295,213)</u>	<u>\$ (3,139,698)</u>	<u>\$ (3,139,698)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ (357,566)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			2,557,728	
To record audit adjustment for expenses			(113,027)	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			2,354,280	
Reversal of prior year accruals			<u>(1,858,146)</u>	
Change in fund balance - GAAP basis			<u>\$ 2,583,269</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR DEBT SERVICE FUNDS

The following funds have been established by the County as required by the various debt issuances:

Debt Service. To account for the pledged property taxes and payment of principal and interest related to the County's General Obligation Bonds.

Environmental Revenue Bond Fund. To account for the pledged gross receipts tax and payments of principal and interest related to the County's Environmental Revenue Bonds.

New Mexico Finance Authority (NMFA) Debt Service Fund. To account for the pledged revenues and payments of principal, interest and other costs related to the borrowings through the NMFA.

Sheriff's Facility Bond Reserve Fund. To account for \$425,905 and the interest earned that has been set aside from the County's Sheriff Facility Bond proceeds as a reserve fund. These funds will be used to repay principal and interest relating to the bonds if inadequate pledged gross receipts taxes are collected.

Fire Tax Revenue Bond Debt Service. To account for the funds set aside from the Fire Tax Revenue Bonds and funds transferred in to repay principal and interest for the bond issue.

Rancho Viejo Improvement District. To account for pledged revenues and payments of principal, interest and other debt service costs for the Rancho Viejo Bonds.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Balance Sheet

June 30, 2006

ASSETS

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriff's Facility Bond Reserve	Fire Tax Revenue Debt Service	Rancho Viejo Improvement District	Total
Equity in pooled cash and investments - restricted	\$ 9,055,672	\$ 434,135	\$ 118,029	\$ 456,366	\$ -	\$ 440,696	\$10,504,898
Taxes receivable	696,585	158,049	-	-	-	8,352	862,986
Interest receivable and other	-	-	-	12,357	-	-	12,357
Due from other funds	-	-	-	-	5,719	-	5,719
Total assets	<u>\$ 9,752,257</u>	<u>\$ 592,184</u>	<u>\$ 118,029</u>	<u>\$ 468,723</u>	<u>\$ 5,719</u>	<u>\$ 449,048</u>	<u>\$11,385,960</u>

LIABILITIES AND FUND BALANCE

Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	6,209	661,075
Deferred revenue	654,866	-	-	-	-	6,209	661,075
Total liabilities	<u>654,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,209</u>	<u>661,075</u>
Fund Balance	9,097,391	592,184	118,029	468,723	5,719	442,839	10,724,885
Reserved for debt service	-	-	-	-	-	-	-
Total liabilities and fund balance	<u>\$ 9,752,257</u>	<u>\$ 592,184</u>	<u>\$ 118,029</u>	<u>\$ 468,723</u>	<u>\$ 5,719</u>	<u>\$ 449,048</u>	<u>\$11,385,960</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit E-2

Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2006

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriff's Facility Bond Reserve	Fire Tax Revenue Bond Debt Service	Rancho Viejo Improvement District	Totals
Revenues:							
Property, gross receipts taxes and special assessments	\$ 8,725,677	\$ 975,998	\$ -	\$ -	\$ -	\$ 262,484	\$ 9,964,159
Interest earnings	112	-	8,295	27,110	-	14,950	50,467
Total revenues	<u>8,725,789</u>	<u>975,998</u>	<u>8,295</u>	<u>27,110</u>	<u>-</u>	<u>277,434</u>	<u>10,014,626</u>
Expenditures:							
Administrative/Issuance costs	82,461	-	1,059	-	-	1,087	84,607
Debt service charges:							
Principal	2,385,000	-	234,565	135,000	-	30,000	2,784,565
Interest	1,683,164	-	13,593	290,905	-	133,763	2,121,425
Total expenditures	<u>4,150,625</u>	<u>-</u>	<u>249,217</u>	<u>425,905</u>	<u>-</u>	<u>164,850</u>	<u>4,990,597</u>
Excess (deficiency) of revenues over expenditures	<u>4,575,164</u>	<u>975,998</u>	<u>(240,922)</u>	<u>(398,795)</u>	<u>-</u>	<u>112,584</u>	<u>5,024,029</u>
Other financing sources (uses):							
Operating transfers in	229,599	-	60,779	398,905	-	-	689,283
Operating transfers out	-	(760,000)	-	-	-	-	(760,000)
Proceeds from refunding issue	8,604,656	-	-	-	-	-	8,604,656
Payment to refunded bonds escrow agent	(8,556,109)	-	-	-	-	-	(8,556,109)
Proceeds from bonds	-	-	88,889	-	-	-	88,889
Total other financing sources (uses)	<u>278,146</u>	<u>(760,000)</u>	<u>149,668</u>	<u>398,905</u>	<u>-</u>	<u>-</u>	<u>66,719</u>
Net change in fund balance	4,853,310	215,998	(91,254)	110	-	112,584	5,090,748
Fund balance, beginning of year	<u>4,244,081</u>	<u>376,186</u>	<u>209,283</u>	<u>468,613</u>	<u>5,719</u>	<u>330,255</u>	<u>5,634,137</u>
Fund balance, end of year	<u>\$ 9,097,391</u>	<u>\$ 592,184</u>	<u>\$ 118,029</u>	<u>\$ 468,723</u>	<u>\$ 5,719</u>	<u>\$ 442,839</u>	<u>\$ 10,724,885</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Debt Service			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes and special assessments	\$ 4,170,472	\$ 3,940,872	\$ 8,692,864	\$ 4,751,992
Gross receipts tax	-	-	-	-
Interest and other	-	-	112	112
Total revenues	4,170,472	3,940,872	<u>\$ 8,692,976</u>	<u>\$ 4,752,104</u>
Cash balance carryforward	-	68,104		
Total	<u>4,170,472</u>	<u>4,008,976</u>		
Expenditures:				
Administrative/Issuance costs	\$ 4,000	\$ 72,104	\$ 66,054	\$ 6,050
Debt service charges:				
Principal	2,385,000	2,385,000	2,385,000	-
Interest	1,781,472	1,781,472	1,719,128	62,344
Total expenditures	<u>\$ 4,170,472</u>	<u>\$ 4,238,576</u>	<u>\$ 4,170,182</u>	<u>\$ 68,394</u>
Other financing sources (uses):				
Operating transfers in and bond proceeds	\$ -	\$ 8,834,256	\$ 8,834,256	\$ -
Operating transfers out and payment to escrow agent	-	(8,604,656)	(8,604,656)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 229,600</u>	<u>\$ 229,600</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ 4,752,394	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			104,401	
To adjust bond issuance expense			68,105	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
Reversal of prior year accruals			<u>(71,590)</u>	
Change in fund balance - GAAP basis			<u>\$ 4,853,310</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit E-3
Page 2 of 5

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Environmental Revenue Bond Fund			Variance-
		Original	Final	Actual	Favorable
		Budget	Budget		(Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	760,000	760,000	817,949	57,949
	Interest and other	-	-	-	-
	Total revenues	760,000	760,000	\$ 817,949	\$ 57,949
Cash balance carryforward		-	-		
	Total	760,000	760,000		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	\$ -	\$ -
	Debt service charges:				
	Principal	-	-	-	-
	Interest	-	-	-	-
	Total expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):					
	Operating transfers in and bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers out and payment to escrow agent	(760,000)	(760,000)	(760,000)	-
	Total other financing sources (uses)	\$ (760,000)	\$ (760,000)	\$ (760,000)	\$ -
Net income (loss) - Budgetary basis				\$ 57,949	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			158,049	
	To adjust bond issuance expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 215,998	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	NMFA Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Property taxes and special assessments	\$ -	\$ -	\$ 7,515	\$ 7,515
Gross receipts tax	-	-	-	-
Interest and other	-	-	8,295	8,295
Total revenues	-	-	<u>\$ 15,810</u>	<u>\$ 15,810</u>
Cash balance carryforward	140,000	140,000		
Total	<u>140,000</u>	<u>140,000</u>		
Expenditures:				
Administrative/Issuance costs	\$ 1,820	\$ 1,820	\$ 1,059	\$ 761
Debt service charges:				
Principal	192,008	273,868	234,565	39,303
Interest	6,951	13,980	13,593	387
Total expenditures	<u>\$ 200,779</u>	<u>\$ 289,668</u>	<u>\$ 249,217</u>	<u>\$ 40,451</u>
Other financing sources (uses):				
Operating transfers in and bond proceeds	\$ 60,779	\$ 149,668	\$ 149,668	\$ -
Operating transfers out and payment to escrow agent	-	-	-	-
Total other financing sources (uses)	<u>\$ 60,779</u>	<u>\$ 149,668</u>	<u>\$ 149,668</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ (83,739)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			-	
To adjust bond issuance expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes. net of accounts payable			-	
Reversal of prior year accruals			<u>(7,515)</u>	
Change in fund balance - GAAP basis			<u>\$ (91,254)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Sheriff's Facility Bond Reserve Fund			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Gross receipts tax	-	-	-	-
Interest and other	27,000	27,000	27,110	110
Total revenues	27,000	27,000	\$ 27,110	\$ 110
Cash balance carryforward	-	-		
Total	27,000	27,000		
Expenditures:				
Administrative/Issuance costs	\$ -	\$ -	\$ -	\$ -
Debt service charges:				
Principal	135,000	135,000	135,000	-
Interest	290,905	290,905	290,905	-
Total expenditures	\$ 425,905	\$ 425,905	\$ 425,905	\$ -
Other financing sources (uses):				
Operating transfers in and bond proceeds	\$ 398,908	\$ 398,905	\$ 398,905	\$ -
Operating transfers out and payment to escrow agent	-	-	-	-
Total other financing sources (uses)	\$ 398,908	\$ 398,905	\$ 398,905	\$ -
Net income (loss) - Budgetary basis			\$ 110	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			-	
To adjust bond issuance expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 110	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Totals (Memorandum Only)			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Property taxes and special assessments	\$ 4,170,472	\$ 3,940,872	\$ 8,700,379	\$ 4,759,507
Gross receipts tax	760,000	760,000	817,949	57,949
Interest and other	27,000	27,000	35,517	8,517
Total revenues	4,957,472	4,727,872	<u>\$ 9,553,845</u>	<u>\$ 4,825,973</u>
Cash balance carryforward	140,000	208,104		
Total	<u>\$ 5,097,472</u>	<u>\$ 4,935,976</u>		
Expenditures:				
Administrative/Issuance costs	\$ 5,820	\$ 73,924	\$ 67,113	\$ 6,811
Debt service charges:				
Principal	2,712,008	2,793,868	2,754,565	39,303
Interest	2,079,328	2,086,357	2,023,626	62,731
Total expenditures	<u>\$ 4,797,156</u>	<u>\$ 4,954,149</u>	<u>\$ 4,845,304</u>	<u>\$ 108,845</u>
Other financing sources (uses):				
Operating transfers in and bond proceeds	\$ 459,687	\$ 9,382,829	\$ 9,382,829	\$ -
Operating transfers out and payment to escrow agent	(760,000)	(9,364,656)	(9,364,656)	-
Total other financing sources (uses)	<u>\$ (300,313)</u>	<u>\$ 18,173</u>	<u>\$ 18,173</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ 4,726,714	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			262,450	
To adjust bond issuance expense			68,105	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
Reversal of prior year accruals			<u>(79,105)</u>	
Change in fund balance - GAAP basis			<u>\$ 4,978,164</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR CAPITAL PROJECT FUNDS

Road Projects. This fund handles the revenue and expense for road projects conducted by the County. Only those road projects with present agreements for funding are included in the fiscal year budget. Established by the County to account for funding from the New Mexico State Highway and Transportation Department and other sources for road improvements. The fund was created by the Board of County Commissioners.

State of New Mexico Special Appropriations and Other Projects. This fund handles the revenue and expense for state-granted facility construction projects. The fund contains only those projects which have signed grant agreements. As other project agreements are made during the fiscal year they will be added to the budget.

Community Development Block Grant (CDBG). This fund handles Community Development Block Grants (CDBG) funded by the U.S. Department of Housing and Urban Development (HUD), passed through and administered by the State of New Mexico Department of Finance and Administration and other projects funded by outside donations.

G.O. Bond Proceeds Roads - 1997. The General Obligation Bond Series 1997 was a \$10.5 million bond issue for the purpose of improving roads, the waste water system, and the purchase of emergency and fire fighting equipment. The debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund (401). This fund was established by the County to account for proceeds from the 1997 bonds in accordance with the bond ordinance and subsequent transfers from other funds.

New Mexico Finance Authority (NMFA) Loan Proceeds. Santa Fe County utilizes low-interest loans from the New Mexico Finance Authority to purchase capital equipment. Payments on equipment loans are made through the Equipment Loan Debt Service Fund (403).

Open Space Bond Proceeds. This fund was established by the County to account for the proceeds from the 1999 Open Space Bonds and 2001 Open Space Bonds. Retirement at the debt is financed through property taxes.

Bond Proceeds Facility. This fund contains revenue from the \$6 million Gross Receipts Tax subordinate 1997-A bond, designated for the construction of the new Sheriff and Fire Facility. This facility is essentially complete and the current fiscal year budget expends the remainder of bond proceeds from construction and building fixtures. Debt is retired on this bond in the GRT Building Revenue Debt Service Fund.

Bond Proceeds Fire Tax. This fund contains revenue from the \$2.2 million Fire Protection Bond, designated for construction of Fire facilities and the purchase of fire fighting equipment. Debt retirement of this bond is through payments from the ¼ cent Fire Excise Tax on Gross Receipts in the Fire Tax Debt Service Fund.

2001 General Obligation Bond Proceeds. The General Obligation Bond Series 2001 was a \$8.5 million bond issue of which \$4.5 million is for the purpose of buying land, construction, remodeling and making additions to County buildings used for public safety purposes and for fire equipment and facilities. \$4.0 million of the bond is for buying land and construction buildings for public works (road maintenance, solid waste). The debt on this bond is paid through property taxes through the General Obligation Bond Debt Service Fund.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Balance Sheet

June 30, 2006

ASSETS	<u>Road Projects</u>	<u>Special Appropriations and other Projects</u>	<u>CDBG</u>	<u>GO Bond Proceeds Roads - 1997</u>	<u>NMFA Loan Proceeds</u>
Equity in pooled cash and investments - restricted	\$ -	\$ -	\$ -	\$ 31,944	\$ 62,397
Grantor receivables	1,308,517	856,024	92,834	-	-
Taxes receivable and special assessments	97,133	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 1,405,650</u>	<u>\$ 856,024</u>	<u>\$ 92,834</u>	<u>\$ 31,944</u>	<u>\$ 62,397</u>
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 46,787	\$ 409,546	\$ -	\$ 8,291	\$ -
Due to other funds	289,552	114,966	67,834	-	-
Total liabilities	<u>336,339</u>	<u>524,512</u>	<u>67,834</u>	<u>8,291</u>	<u>-</u>
Fund Balance:					
Reserved for encumbrances	231,838	-	-	23,653	-
Designated for capital improvements	837,473	331,512	-	-	62,397
Unreserved fund balance (deficit)	-	-	25,000	-	-
Total fund balance (deficit)	<u>1,069,311</u>	<u>331,512</u>	<u>25,000</u>	<u>23,653</u>	<u>62,397</u>
Total liabilities and fund balance	<u>\$ 1,405,650</u>	<u>\$ 856,024</u>	<u>\$ 92,834</u>	<u>\$ 31,944</u>	<u>\$ 62,397</u>

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Balance Sheet (Continued)

June 30, 2006

	Open Space Bond Proceeds	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligation Bond Proceeds	Totals
ASSETS					
Equity in pooled cash and investments - restricted	\$ 4,479,354	\$ 592,362	\$ 64,905	\$ 4,447,644	\$ 9,678,606
Grantor receivables	-	-	-	-	2,257,375
Taxes receivable	-	-	-	-	97,133
Interest receivable	24,076	-	-	26,802	50,878
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 4,503,430</u>	<u>\$ 592,362</u>	<u>\$ 64,905</u>	<u>\$ 4,474,446</u>	<u>\$ 12,083,992</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 3,506	\$ 81,547	\$ -	\$ 170,854	\$ 720,531
Due to other funds	-	-	5,719	-	478,071
Total liabilities	<u>3,506</u>	<u>81,547</u>	<u>5,719</u>	<u>170,854</u>	<u>1,198,602</u>
Fund Balance:					
Reserved for encumbrances	27,961	16,298	-	416,959	716,709
Designated for capital improvements	4,471,963	494,517	59,186	3,886,633	10,143,681
Unreserved fund balance (deficit)	-	-	-	-	25,000
Total fund balance (deficit)	<u>4,499,924</u>	<u>510,815</u>	<u>59,186</u>	<u>4,303,592</u>	<u>10,885,390</u>
Total liabilities and fund balance	<u>\$ 4,503,430</u>	<u>\$ 592,362</u>	<u>\$ 64,905</u>	<u>\$ 4,474,446</u>	<u>\$ 12,083,992</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2006

	Road Projects	Special Appropriations and Other Projects	CDBG	GO Bond Proceeds Road 1997	NMFA Loan Proceeds
Revenues:					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	7,891	10,993
State and federal grants	652,388	1,528,140	-	-	-
Other	-	-	-	-	-
Total revenues	<u>652,388</u>	<u>1,528,140</u>	<u>-</u>	<u>7,891</u>	<u>10,993</u>
Expenditures:					
General government	59,068	1,905,082	-	-	-
Highways and streets	935,130	-	-	631,697	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Public safety	-	-	-	-	-
Total expenditures	<u>994,198</u>	<u>1,905,082</u>	<u>-</u>	<u>631,697</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(341,810)</u>	<u>(376,942)</u>	<u>-</u>	<u>(623,806)</u>	<u>10,993</u>
Other financing sources (uses)					
Bond proceeds	-	-	-	-	800,000
Operating transfers in	142,199	509,500	-	-	-
Operating transfers out	-	(33,250)	-	(7,891)	(800,000)
Total other financing sources (uses)	<u>142,199</u>	<u>476,250</u>	<u>-</u>	<u>(7,891)</u>	<u>-</u>
Net change in fund balances	(199,611)	99,308	-	(631,697)	10,993
Fund balance (deficit), beginning of year	<u>1,268,922</u>	<u>232,204</u>	<u>25,000</u>	<u>655,350</u>	<u>51,404</u>
Fund balance (deficit), end of year	<u>\$ 1,069,311</u>	<u>\$ 331,512</u>	<u>\$ 25,000</u>	<u>\$ 23,653</u>	<u>\$ 62,397</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2006

	Open Spaces Bond Proceeds	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligations Bond Proceeds	Totals
Revenues:					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	227,204	20,043	9,893	248,510	524,534
State and federal grants	-	-	-	-	2,180,528
Other	-	5,204	-	-	5,204
Total revenues	<u>227,204</u>	<u>25,247</u>	<u>9,893</u>	<u>248,510</u>	<u>2,710,266</u>
Expenditures:					
General government	-	81,547	-	1,952,527	3,998,224
Highway and streets	-	-	-	-	1,566,827
Health and welfare	-	-	-	-	-
Culture and recreation	662,265	-	-	-	662,265
Public safety	-	-	-	-	-
Total expenditures	<u>662,265</u>	<u>81,547</u>	<u>-</u>	<u>1,952,527</u>	<u>6,227,316</u>
Excess (deficiency) of revenues over expenditures	<u>(435,061)</u>	<u>(56,300)</u>	<u>9,893</u>	<u>(1,704,017)</u>	<u>(3,517,050)</u>
Other financing sources (uses)					
Bond proceeds	-	-	-	-	800,000
Operating transfers in	-	-	-	-	651,699
Operating transfers out	-	-	-	(221,708)	(1,062,849)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(221,708)</u>	<u>388,850</u>
Net change in fund balances	(435,061)	(56,300)	9,893	(1,925,725)	(3,128,200)
Fund balance (deficit), beginning of year	4,934,985	567,115	49,293	6,229,317	14,013,590
Fund balance (deficit), end of year	<u>\$ 4,499,924</u>	<u>\$ 510,815</u>	<u>\$ 59,186</u>	<u>\$ 4,303,592</u>	<u>\$ 10,885,390</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Road Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ 49,457	\$ 49,457
	Interest earnings	-	-	40,476	40,476
	Federal and State grants	-	1,981,748	893,201	(1,088,547)
	Other	-	-	64,893	64,893
	Total revenues	-	1,981,748	<u>\$ 1,048,027</u>	<u>\$ (933,721)</u>
Cash balance carryforward		-	527,269		
	Total	<u>\$ -</u>	<u>\$ 2,509,017</u>		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	2,651,218	1,180,034	1,471,184
	Total expenditures	<u>\$ -</u>	<u>\$ 2,651,218</u>	<u>\$ 1,180,034</u>	<u>\$ 1,471,184</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	142,201	142,199	(2)
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 142,201</u>	<u>\$ 142,199</u>	<u>\$ (2)</u>
Net income (loss) - Budgetary basis				\$ 10,192	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			1,468,973	
	To record audit adjustment for bad debt expense			(59,068)	
	Audit entry to adjust operating transfers to bond proceeds			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			231,838	
	Reversal of prior year accruals			<u>(1,851,546)</u>	
	Change in fund balance - GAAP basis			<u>\$ (199,611)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
page 2 of 9

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Special Appropriations and Other Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and State grants	-	7,313,559	1,061,280	(6,252,279)
	Other	-	-	-	-
	Total revenues	-	7,313,559	\$ 1,061,280	\$ (6,252,279)
	Cash balance carryforward	-	190,594		
	Total	\$ -	\$ 7,504,153		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	-	7,980,403	2,734,364	5,246,039
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ -	\$ 7,980,403	\$ 2,734,364	\$ 5,246,039
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	509,500	509,500	-
	Operating transfers out	-	(33,250)	(33,250)	-
	Total other financing sources (uses)	\$ -	\$ 476,250	\$ 476,250	\$ -
	Net income (loss) - Budgetary basis			\$ (1,196,834)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			656,024	
	To record audit adjustment for bad debt expense			-	
	Audit entry to adjust operating transfers to bond proceeds			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			829,282	
	Reversal of prior year accruals			(189,164)	
	Change in fund balance - GAAP basis			\$ 99,308	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Community Development Block Grant			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and State grants	-	75,000	-	(75,000)
	Other	-	-	-	-
	Total revenues	-	75,000	\$ -	\$ (75,000)
Cash balance carryforward		-	-		
	Total	\$ -	\$ 75,000		
Expenditures:					
	General government	\$ -	\$ 75,000	\$ -	\$ 75,000
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ -	\$ 75,000	\$ -	\$ 75,000
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ -	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue				-
	To record audit adjustment for bad debt expense				-
	Audit entry to adjust operating transfers to bond proceeds				-
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable				-
	Reversal of prior year accruals				-
	Change in fund balance - GAAP basis			\$ -	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		<u>GO Bond Proceeds Roads - 1997</u>			
		<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and State grants	-	-	-	-
	Other	-	7,891	7,891	-
	Total revenues	-	7,891	<u>\$ 7,891</u>	<u>\$ -</u>
	Cash balance carryforward	<u>637,101</u>	<u>655,351</u>		
	Total	<u>\$ 637,101</u>	<u>\$ 663,242</u>		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	<u>637,101</u>	<u>655,351</u>	<u>655,350</u>	<u>1</u>
	Total expenditures	<u>\$ 637,101</u>	<u>\$ 655,351</u>	<u>\$ 655,350</u>	<u>\$ 1</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(7,891)	(7,891)	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (7,891)</u>	<u>\$ (7,891)</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (655,350)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for bad debt expense			-	
	Audit entry to adjust operating transfers to bond proceeds			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			23,653	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (631,697)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		NMFA Loan Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	10,993	10,993
	Federal and State grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	<u>\$ 10,993</u>	<u>\$ 10,993</u>
	Cash balance carryforward	-	18,142		
	Total	<u>\$ -</u>	<u>\$ 18,142</u>		
Expenditures:					
	General government	\$ -	\$ 18,142	\$ 18,142	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 18,142</u>	<u>\$ 18,142</u>	<u>\$ -</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ 888,889	\$ 800,000	\$ (88,889)
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(888,889)	(888,889)	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (88,889)</u>	<u>\$ (88,889)</u>
	Net income (loss) - Budgetary basis			\$ (96,038)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for bad debt expense			-	
	Audit entry to adjust operating transfers to bond proceeds			88,889	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			<u>18,142</u>	
	Change in fund balance - GAAP basis			<u>\$ 10,993</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Open Space Bonds Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	227,204	227,204
	Federal and State grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	\$ 227,204	\$ 227,204
	Cash balance carryforward	4,790,486	5,114,589		
	Total	\$ 4,790,486	\$ 5,114,589		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	4,790,486	5,114,589	690,226	4,424,363
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ 4,790,486	\$ 5,114,589	\$ 690,226	\$ 4,424,363
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ (463,022)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for bad debt expense			-	
	Audit entry to adjust operating transfers to bond proceeds			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			27,961	
	Reversal of prior year accruals			-	
Change in fund balance - GAAP basis				\$ (435,061)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		Bond Proceeds Facility			Variance- Favorable (Unfavorable)
		Original Budget	Final Budget	Actual	
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	20,043	20,043
	Federal and State grants	-	-	-	-
	Other	-	5,204	5,204	-
	Total revenues	-	5,204	\$ 25,247	\$ 20,043
	Cash balance carry forward	395,769	412,068		.
	Total	\$ 395,769	\$ 417,272		
Expenditures:					
	General government	\$ 395,769	\$ 417,272	\$ 16,298	\$ 400,974
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ 395,769	\$ 417,272	\$ 16,298	\$ 400,974
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
	Net income (loss) - Budgetary basis			\$ 8,949	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for bad debt expense			-	
	Audit entry to adjust operating transfers to bond proceeds			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			(65,249)	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ (56,300)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
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Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

		2001 General Obligation Bond Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	120,000	221,709	248,510	26,801
	Federal and State grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>120,000</u>	<u>221,709</u>	<u>\$ 248,510</u>	<u>\$ 26,801</u>
	Cash balance carryforward	5,892,025	6,090,502		
	Total	<u>\$ 6,012,025</u>	<u>\$ 6,312,211</u>		
Expenditures:					
	General government	\$ 6,012,025	\$ 6,090,502	\$ 2,288,787	\$ 3,801,715
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	<u>\$ 6,012,025</u>	<u>\$ 6,090,502</u>	<u>\$ 2,288,787</u>	<u>\$ 3,801,715</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(221,709)	(221,708)	1
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (221,709)</u>	<u>\$ (221,708)</u>	<u>\$ 1</u>
	Net income (loss) - Budgetary basis			\$ (2,261,985)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			-	
	To record audit adjustment for bad debt expense			-	
	Audit entry to adjust operating transfers to bond proceeds			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			336,260	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (1,925,725)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
Page 9 of 9

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2006

	Totals (Memorandum Only)			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ 49,457	\$ 49,457
Interest earnings	120,000	221,709	547,226	325,517
Federal grants and state grants	-	9,370,307	1,954,481	(7,415,826)
Other	-	13,095	77,988	64,893
Total revenues	120,000	9,605,111	\$ 2,629,152	\$ (6,975,959)
Cash balance carryforward	11,715,381	13,008,515		
Total	\$ 11,835,381	\$ 22,613,626		
Expenditures:				
General government	\$ 6,407,794	\$ 6,600,916	\$ 2,323,227	\$ 4,277,689
Culture and recreation	4,790,486	13,094,992	3,424,590	9,670,402
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and street	637,101	3,306,569	1,835,384	1,471,185
Total expenditures	\$ 11,835,381	\$ 23,002,477	\$ 7,583,201	\$ 15,419,276
Other financing sources (uses)				
Bond proceeds	\$ -	\$ 888,889	\$ 800,000	\$ (88,889)
Operating transfers in	-	651,701	651,699	(2)
Operating transfers out	-	(1,151,739)	(1,151,738)	1
Total other financing sources (uses)	\$ -	\$ 388,851	\$ 299,961	\$ (1)
Net income (loss) - Budgetary basis			\$ (4,654,088)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustment for revenue			2,124,997	
To record audit adjustment for bad debt expense			(59,068)	
Audit entry to adjust operating transfers to bond proceeds			88,889	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes. net of accounts payable			1,383,745	
Reversal of prior year accruals			(2,022,568)	
Change in fund balance - GAAP basis			\$ (3,138,093)	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

AGENCY FUNDS

Agency Funds - The County established these agency funds to account for assets held for others.

County Treasurer

To account for collections and payment to the County and other recipient entities of property taxes, interest and penalties billed and collected by the County on their behalf.

Sheriff's Bond Fund

To account for bond monies held by the County until legal disposition of the appropriate case.

Writ Fund

To account for court judgments issued to the sheriff's department to collect monies or remove property in satisfaction of said judgments.

Confiscated Property

To account for assets confiscated during arrests pursuant to Section 30-31-1-1, NMSA, 1978 Compilation. Property is held until disposed of pursuant to court order.

Adult Inmate Trust

To account for adult inmate monies held by the County until legal disposition of the appropriate case.

Juvenile Inmate Trust

To account for juvenile inmate monies held by the County until legal disposition of the appropriate case.

STATE OF NEW MEXICO
SANTA FE COUNTY

Agency Funds
Combining Balance Sheet

June 30, 2006

	County Treasurer	Sheriff's Bond Fund	Writ Fund	Confiscated Property	Adult Inmate Trust	Juvenile Inmate Trust	Totals
ASSETS							
Equity in pooled cash and investments - restricted	\$ 1,280,981	\$ 316,806	\$ 366	\$ 43,437	\$ 192,379	\$ 13,562	\$ 1,847,531
Taxes receivable	5,942,793	-	-	-	-	-	5,942,793
Total assets	<u>\$ 7,223,774</u>	<u>\$ 316,806</u>	<u>\$ 366</u>	<u>\$ 43,437</u>	<u>\$ 192,379</u>	<u>\$ 13,562</u>	<u>\$ 7,790,324</u>
LIABILITIES							
Due to other governments	\$ 5,942,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,942,793
Taxes paid in advance	814,488	-	-	-	-	-	814,488
Deposits held for others	-	316,806	366	43,437	192,379	13,562	566,550
Undistributed taxes to other governments	466,493	-	-	-	-	-	466,493
Total liabilities	<u>\$ 7,223,774</u>	<u>\$ 316,806</u>	<u>\$ 366</u>	<u>\$ 43,437</u>	<u>\$ 192,379</u>	<u>\$ 13,562</u>	<u>\$ 7,790,324</u>

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Agency Funds
Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2006

	<u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2006</u>
COUNTY TREASURER				
Assets:				
Equity in pooled cash and investments - restricted	\$ 1,541,855	\$ 99,394,586	\$ (99,655,460)	\$ 1,280,981
Property taxes receivable	<u>5,151,317</u>	<u>100,186,062</u>	<u>(99,394,586)</u>	<u>5,942,793</u>
Total assets	<u>\$ 6,693,172</u>	<u>\$ 199,580,648</u>	<u>\$ (199,050,046)</u>	<u>\$ 7,223,774</u>
Liabilities:				
Due to other governments	\$ 5,151,317	\$ 100,186,062	\$ (99,394,586)	\$ 5,942,793
Overpayments and taxes paid in advance	959,512	582,343	(727,367)	814,488
Due to other funds	-	36,882,052	(36,882,052)	-
Undistributed taxes to other governments	<u>582,343</u>	<u>61,930,191</u>	<u>(62,046,041)</u>	<u>466,493</u>
Total liabilities	<u>\$ 6,693,172</u>	<u>\$ 199,580,648</u>	<u>\$ (199,050,046)</u>	<u>\$ 7,223,774</u>
SHERIFF'S BOND FUND				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 330,817</u>	<u>\$ 1,036,787</u>	<u>\$ (1,050,798)</u>	<u>\$ 316,806</u>
Liabilities - Deposits held for others	<u>\$ 330,817</u>	<u>\$ 1,036,787</u>	<u>\$ (1,050,798)</u>	<u>\$ 316,806</u>
WRIT FUND				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 5,152</u>	<u>\$ 149,826</u>	<u>\$ (154,612)</u>	<u>\$ 366</u>
Liabilities - Deposits held for others	<u>\$ 5,152</u>	<u>\$ 149,826</u>	<u>\$ (154,612)</u>	<u>\$ 366</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit G-2
Page 2 of 2

Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)

Year Ended June 30, 2006

	June 30, 2005	Additions	Deletions	June 30, 2006
CONFISCATED PROPERTY				
Assets - Equity in pooled cash and investments - restricted	\$ 43,375	\$ 253	\$ (191)	\$ 43,437
Liabilities - Deposits held for others	\$ 43,375	\$ 253	\$ (191)	\$ 43,437
ADULT INMATE TRUST				
Assets - Equity in pooled cash and investments - restricted	\$ 38,628	\$ 581,694	\$ (427,943)	\$ 192,379
Liabilities - Deposits held for others	\$ 38,628	\$ 581,694	\$ (427,943)	\$ 192,379
JUVENILE INMATE TRUST				
Assets - Equity in pooled cash and investments - restricted	\$ 20,680	\$ 38,659	\$ (45,777)	\$ 13,562
Liabilities - Deposits held for others	\$ 20,680	\$ 38,659	\$ (45,777)	\$ 13,562
TOTALS ALL AGENCY FUNDS				
Assets:				
Equity in pooled cash and investments - restricted	\$ 1,980,507	\$ 101,201,805	\$ (101,334,781)	\$ 1,847,531
Property taxes receivable	5,151,317	100,186,062	(99,394,586)	5,942,793
Total assets	\$ 7,131,824	\$ 201,387,867	\$ (200,729,367)	\$ 7,790,324
Liabilities:				
Due to other governments	\$ 5,151,317	\$ 100,186,062	\$ (99,394,586)	\$ 5,942,793
Overpayments and taxes paid in advance	959,512	582,343	(727,367)	814,488
Deposits held for others	438,652	1,807,219	(1,679,321)	566,550
Due to other funds	-	36,882,052	(36,882,052)	-
Undistributed taxes to other governments	582,343	61,930,191	(62,046,041)	466,493
Total liabilities	\$ 7,131,824	\$ 201,387,867	\$ (200,729,367)	\$ 7,790,324

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 1 of 5

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2006

	Housing Services			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 359,585	\$ 359,585	\$ 350,846	\$ (8,739)
Water sales	-	-	-	-
Other revenues	-	8,675	8,675	-
Total Revenues	<u>359,585</u>	<u>368,260</u>	<u>359,521</u>	<u>\$ (8,739)</u>
Cash balance carryforward	<u>135,901</u>	<u>176,826</u>		
Total	<u>\$ 495,486</u>	<u>\$ 545,086</u>		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	1,278,878	1,338,020	1,184,232	153,788
Total operating expenditures	<u>\$ 1,278,878</u>	<u>\$ 1,338,020</u>	<u>1,184,232</u>	<u>\$ 153,788</u>
Total operating income (loss)			<u>(824,711)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	492,445	492,445	560,560	68,115
Transfers in (out)	290,947	300,489	300,489	-
Total non-operating revenues (expenses)	<u>\$ 783,392</u>	<u>\$ 792,934</u>	<u>861,049</u>	<u>\$ 68,115</u>
Net income (loss) - Budgetary basis			36,338	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			30,478	
To record audit adjustment for revenue			50,269	
To record interest expense			(371,395)	
Audit entry to increase reserve for uncollectible receivables			-	
Capital outlay expenditures expensed for budgetary purposes			30,298	
Depreciation and amortization expenses not recorded as budgetary expenditures			(247,351)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			40,692	
Reversal of prior year accruals			75,780	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			(279,966)	
Change in net assets - GAAP basis			<u>\$ (433,140)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis) (Continued)

Year Ended June 30, 2006

	Utilities Department			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 978,771	\$ 1,381,446	\$1,676,077	\$ 294,631
Water sales	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	978,771	1,381,446	1,676,077	\$ 294,631
Cash balance carryforward	54,968	152,357		
Total	\$ 1,033,739	\$ 1,533,803		
Operating expenditures:				
Public safety	\$ 1,345,262	\$ 3,074,142	1,412,233	\$ 1,661,909
Health and welfare	-	-	-	-
Total operating expenditures	\$ 1,345,262	\$ 3,074,142	1,412,233	\$ 1,661,909
Total operating income (loss)			263,844	
Non-operating revenues (expenses):				
Interest on investments	\$ 12,641	\$ 12,641	7,817	\$ (4,824)
HUD operating subsidy and other federal/state funds	122,500	1,347,500	70,297	(1,277,203)
Transfers in (out)	176,382	180,198	180,198	-
Total non-operating revenues (expenses)	\$ 311,523	\$ 1,540,339	258,312	\$ (1,282,027)
Net income (loss) - Budgetary basis			522,156	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			7,334,966	
To record audit adjustment for revenue			71,269	
To record interest expense			-	
Audit entry to increase reserve for uncollectible receivables			(10,000)	
Capital outlay expenditures expensed for budgetary purposes			35,030	
Depreciation and amortization expenses not recorded as budgetary expenditures			(233,697)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			137,470	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			\$7,857,194	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 3 of 5

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis) (Continued)

Year Ended June 30, 2006

	Santa Fe County Jail Facility			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 9,374,254	\$ 9,736,235	\$ 10,630,901	\$ 894,666
Water sales	-	-	-	-
Other revenues	-	94,725	11,000	(83,725)
Total Revenues	<u>9,374,254</u>	<u>9,830,960</u>	<u>10,641,901</u>	<u>\$ 810,941</u>
Cash balance carryforward	<u>444,500</u>	<u>4,928,044</u>		
Total	<u>\$ 9,818,754</u>	<u>\$14,759,004</u>		
Operating expenditures:				
Public safety	\$18,645,004	\$23,693,479	21,043,052	\$ 2,650,427
Health and welfare	<u>2,178,545</u>	<u>2,250,990</u>	<u>2,249,396</u>	<u>1,594</u>
Total operating expenditures	<u>\$20,823,549</u>	<u>\$25,944,469</u>	<u>23,292,448</u>	<u>\$ 2,652,021</u>
Total operating income (loss)			<u>(12,650,547)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ 150,000	\$ 150,000	183,892	\$ 33,892
HUD operating subsidy and other federal funds	275,933	456,401	15,897	(440,504)
Transfers in (out)	<u>10,578,862</u>	<u>10,579,064</u>	<u>10,579,064</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>\$11,004,795</u>	<u>\$11,185,465</u>	<u>10,778,853</u>	<u>\$ (406,612)</u>
Net income (loss) - Budgetary basis			(1,871,694)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			217,416	
To adjust interest expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Capital outlay expenditures expensed for budgetary purposes			729,797	
Depreciation and amortization expenses not recorded as budgetary expenditures			(1,118,827)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,782,889	
Reversal of prior year accruals			(769,369)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			700,000	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			<u>\$ 670,212</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 4 of 5

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis) (Continued)

Year Ended June 30, 2006

	Regional Planning Authority			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	100,000	100,000	11,069	(88,931)
Total Revenues	100,000	100,000	11,069	\$ (88,931)
Cash balance carryforward	-	20,775		
Total	\$ 100,000	\$ 120,775		
Operating expenditures:				
Public safety	\$ 200,000	\$ 220,775	34,278	\$ 186,497
Health and welfare	-	-	-	-
Total operating expenditures	\$ 200,000	\$ 220,775	34,278	\$ 186,497
Total operating income (loss)			(23,209)	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	100,000	100,000	100,000	-
Total non-operating revenues (expenses)	\$ 100,000	\$ 100,000	100,000	\$ -
Net income (loss) - Budgetary basis			76,791	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To accrue audit adjustment for revenue			-	
To record interest expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Capital outlay expenditures expensed for budgetary purposes			-	
Depreciation and amortization expenses not recorded as budgetary expenditures			(2,693)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			26,122	
Reversal of prior year accruals			(11,069)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			\$ 89,151	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 5

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis) (Continued)

Year Ended June 30, 2006

	Totals (Memorandum Only)			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 10,712,610	\$ 11,477,266	\$12,657,824	\$ 1,180,558
Water sales	-	-	-	-
Other revenues	100,000	203,400	30,744	(172,656)
Total Revenues	<u>10,812,610</u>	<u>11,680,666</u>	<u>12,688,568</u>	<u>\$ 1,007,902</u>
Cash balance carryforward	635,369	5,278,002		
Total	<u>\$ 11,447,979</u>	<u>\$ 16,958,668</u>		
Operating expenditures:				
Public safety	\$ 20,190,266	\$ 26,988,396	22,489,563	\$ 4,498,833
Health and welfare	3,457,423	3,589,010	3,433,628	155,382
Total operating expenditures	<u>\$ 23,647,689</u>	<u>\$ 30,577,406</u>	<u>25,923,191</u>	<u>\$ 4,654,215</u>
Total operating income (loss)			<u>(13,234,623)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ 162,641	\$ 162,641	191,709	\$ 29,068
HUD operating subsidy and other federal funds	890,878	2,296,346	646,754	(1,649,592)
Transfers in (out)	11,146,191	11,159,751	11,159,751	-
Total non-operating revenues (expenses)	<u>\$ 12,199,710</u>	<u>\$ 13,618,738</u>	<u>11,998,214</u>	<u>\$ (1,620,524)</u>
Net income - Budgetary basis			(1,236,409)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			7,365,444	
To record audit adjustment for revenue			338,954	
To record interest expense			(371,395)	
Audit entry to increase reserve for uncollectible accounts			(10,000)	
Capital outlay expenditures expensed for budgetary purposes			795,125	
Depreciation and amortization expenses not recorded as budgetary expenditures			(1,602,568)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,987,173	
Reversal of prior year accruals			(704,658)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			700,000	
Contribution of assets to the Home Sales fund			(279,966)	
Net income - GAAP basis			<u>\$ 8,183,417</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit I-1

Schedule of Reconciliation of Tax Receipts, Disbursements and Property Tax Receivable

Year Ended June 30, 2006

Property taxes receivable, July 1, 2005	\$ 8,218,577
Net taxes charged to Treasurer	101,166,277
Net adjustments and other	(318,921)
Collections	<u>(99,394,592)</u>

Property taxes receivable, June 30, 2006	<u>\$ 9,671,341</u>
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Property taxes receivable as of June 30, 2006,
Property taxes receivable by year:

1996	\$ 49,216
1997	50,672
1998	97,579
1999	135,754
2000	195,604
2001	271,925
2002	456,281
2003	856,688
2004	1,654,079
2005	<u>5,903,543</u>

Total taxes receivable, net	<u>\$ 9,671,341</u>
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Distribution of collected property taxes:

Santa Fe County	\$ 36,574,316
State of New Mexico	5,876,472
Edgewood Soil and Water	109,653
City of Santa Fe	1,758,788
City of Española	102,307
Santa Fe Community College	17,781,187
School Districts	35,355,184
El Dorado Water & Sanitation	785,546
Livestock	12,812
Rancho Viejo Improvement District	<u>264,098</u>

Total tax distribution	<u>\$ 98,620,363</u>
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Property taxes receivable distribution:

Santa Fe County	\$ 3,736,908
State of New Mexico	579,477
Edgewood Soil & Water	20,229
City of Santa Fe	168,105
City of Española	19,469
Santa Fe Community College	1,536,579
School Districts	3,569,622
El Dorado Water & Sanitation	24,372
Livestock	8,228
Rancho Viejo Improvement District - Component unit of the County	<u>8,352</u>

Total	<u>\$ 9,671,341</u>
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**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit I-2
Page 1 of 5

Schedule of Property Taxes

June 30, 2006

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
STATE OF NEW MEXICO:							
State Debt - 1996	4,299,210	331	4,294,579	331	4,294,579	0	4,631
State Debt - 1997	4,183,240	778	4,179,065	735	4,179,022	43	4,175
State Debt - 1998	4,430,825	1,118	4,422,850	1,048	4,422,780	70	7,975
State Debt - 1999	4,783,827	1,619	4,773,649	1,486	4,773,516	133	10,178
State Debt - 2000	5,281,408	4,270	5,266,409	4,069	5,266,208	201	14,999
State Debt - 2001	6,373,172	10,633	6,350,035	10,318	6,349,720	315	23,137
State Debt - 2002	4,257,741	20,047	4,232,250	19,543	4,231,746	504	25,491
State Debt - 2003	6,147,509	53,940	6,085,593	50,640	6,082,293	3,300	61,916
State Debt - 2004	4,492,431	162,949	4,408,488	160,475	4,406,014	2,474	83,943
State Debt - 2005	6,008,327	5,665,295	5,665,295	5,627,827	5,627,827	37,468	343,032
Total State Debt	50,257,690	5,920,980	49,678,213	5,876,472	49,633,705	44,508	579,477
Livestock Board - 1996	16,371	0	16,340	0	16,340	0	31
Livestock Board - 1997	9,653	0	9,541	0	9,541	0	112
Livestock Board - 1998	17,139	0	16,840	0	16,840	0	299
Livestock Board - 1999	17,826	0	17,527	0	17,527	0	299
Livestock Board - 2000	17,628	0	17,143	0	17,143	0	485
Livestock Board - 2001	11,805	100	11,425	100	11,425	0	380
Livestock Board - 2002	11,946	105	11,562	105	11,562	0	384
Livestock Board - 2003	10,938	105	10,426	105	10,426	0	512
Livestock Board - 2004	13,298	726	10,915	723	10,912	3	2,383
Livestock Board - 2005	15,128	11,785	11,785	11,779	11,779	6	3,343
Total Livestock Board	141,732	12,821	133,504	12,812	133,495	9	8,228
TOTAL STATE OF NEW MEXICO	\$ 50,399,422	\$ 5,933,801	\$ 49,811,717	\$ 5,889,284	\$ 49,767,200	\$ 44,517	\$ 587,705
SANTA FE COUNTY:							
SANTA FE COUNTY:							
County Operational - 1996	11,433,394	898	11,418,206	898	11,418,206	0	15,188
County Operational - 1997	14,528,158	2,914	14,510,754	2,797	14,510,637	117	17,404
County Operational - 1998	15,787,642	4,239	15,753,464	4,036	15,753,261	203	34,178
County Operational - 1999	16,874,546	6,183	16,831,198	5,809	16,830,824	374	43,348
County Operational - 2000	19,732,890	15,936	19,668,278	15,270	19,667,612	666	64,612
County Operational - 2001	21,393,099	35,321	21,304,900	34,398	21,303,977	923	88,199
County Operational - 2002	22,612,151	103,002	22,459,729	100,327	22,457,054	2,675	152,422
County Operational - 2003	23,872,174	218,031	23,600,211	206,113	23,588,293	11,918	271,963
County Operational - 2004	26,138,852	996,996	25,583,038	981,004	25,567,046	15,992	555,814
County Operational - 2005	28,498,481	26,701,289	26,701,289	26,489,105	26,489,105	212,184	1,797,192
Total County Operational	200,871,387	28,084,809	197,831,067	27,839,757	197,586,015	245,052	3,040,320

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit I-2
Page 2 of 5

Schedule of Property Taxes (Continued)

June 30, 2006

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
SANTA FE COUNTY (Cont.):							
County Debt Service - 1996	1,105,192	85	1,104,001	85	1,104,001	0	1,191
County Debt Service - 1997	1,618,361	290	1,616,676	276	1,616,662	14	1,685
County Debt Service - 1998	1,756,307	443	1,753,146	415	1,753,118	28	3,161
County Debt Service - 1999	2,411,259	816	2,406,128	749	2,406,061	67	5,131
County Debt Service - 2000	1,885,977	1,525	1,880,621	1,453	1,880,549	72	5,356
County Debt Service - 2001	2,599,838	4,338	2,590,399	4,209	2,590,270	129	9,439
County Debt Service - 2002	2,168,668	10,211	2,155,684	9,954	2,155,427	257	12,984
County Debt Service - 2003	5,605,568	49,185	5,549,110	46,176	5,546,101	3,009	56,458
County Debt Service - 2004	4,400,688	159,621	4,318,459	157,198	4,316,036	2,423	82,229
County Debt Service - 2005	9,089,682	8,570,728	8,570,728	8,514,044	8,514,044	56,684	518,954
Total County Debt Service	32,641,540	8,797,242	31,944,952	8,734,559	31,882,269	62,683	696,588
TOTAL SANTA FE COUNTY	\$ 233,512,927	\$ 36,882,051	\$ 229,776,019	\$ 36,574,316	\$ 229,468,284	\$ 307,735	\$ 3,736,908
MUNICIPALITIES:							
City of Santa Fe - 1996	1,088,548	80	1,087,649	80	1,087,649	0	899
City of Santa Fe - 1997	1,116,051	320	1,115,148	319	1,115,147	1	903
City of Santa Fe - 1998	1,171,548	348	1,168,277	348	1,168,277	0	3,271
City of Santa Fe - 1999	1,245,904	532	1,242,683	517	1,242,668	15	3,221
City of Santa Fe - 2000	1,304,700	822	1,300,066	794	1,300,038	28	4,634
City of Santa Fe - 2001	1,406,764	1,706	1,402,169	1,693	1,402,156	13	4,595
City of Santa Fe - 2002	1,477,436	4,121	1,469,595	4,003	1,469,477	118	7,841
City of Santa Fe - 2003	1,553,950	10,616	1,539,613	10,247	1,539,244	369	14,337
City of Santa Fe - 2004	1,669,799	58,544	1,639,394	57,360	1,638,210	1,184	30,405
City of Santa Fe - 2005	1,797,820	1,699,821	1,699,821	1,683,427	1,683,427	16,394	97,999
Total City of Santa Fe	13,832,520	1,776,910	13,664,415	1,758,788	13,646,293	18,122	168,105
City of Espanola - 1996	90,856	19	90,635	19	90,635	0	221
City of Espanola - 1997	89,017	41	88,762	36	88,757	5	255
City of Espanola - 1998	92,833	77	92,523	72	92,518	5	310
City of Espanola - 1999	91,091	58	90,765	54	90,761	4	326
City of Espanola - 2000	90,117	114	89,699	110	89,695	4	418
City of Espanola - 2001	94,740	196	94,145	192	94,141	4	595
City of Espanola - 2002	100,033	489	98,935	485	98,931	4	1,098
City of Espanola - 2003	94,292	1,273	92,449	1,269	92,445	4	1,843
City of Espanola - 2004	99,565	5,722	96,094	5,683	96,055	39	3,471
City of Espanola - 2005	105,775	94,843	94,843	94,387	94,387	456	10,932
Total City of Espanola	948,319	102,832	928,850	102,307	928,325	525	19,469
TOTAL MUNICIPALITIES	14,780,839	1,879,742	14,593,265	1,861,095	14,574,618	18,647	187,574

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Property Taxes (Continued)

June 30, 2006

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
SCHOOLS DISTRICTS:							
Santa Fe Schools - 1996	14,499,527	994	14,484,497	994	14,484,497	0	15,030
Santa Fe Schools - 1997	14,963,805	2,605	14,950,493	2,502	14,950,390	103	13,312
Santa Fe Schools - 1998	14,962,781	3,138	14,936,800	3,060	14,936,722	78	25,981
Santa Fe Schools - 1999	22,493,662	5,186	22,450,103	4,820	22,449,737	366	43,559
Santa Fe Schools - 2000	23,908,735	15,674	23,849,605	15,070	23,849,001	604	59,130
Santa Fe Schools - 2001	24,947,450	34,067	24,869,288	33,240	24,868,461	827	78,162
Santa Fe Schools - 2002	26,362,638	111,292	26,226,735	108,374	26,223,817	2,918	135,903
Santa Fe Schools - 2003	27,981,944	226,521	27,732,133	211,039	27,716,651	15,482	249,811
Santa Fe Schools - 2004	29,083,823	1,034,595	28,584,375	1,018,722	28,568,502	15,873	499,448
Santa Fe Schools - 2005	32,116,495	30,348,632	30,348,632	30,146,080	30,146,080	202,552	1,767,863
Total Santa Fe Public Schools	231,320,860	31,782,704	228,432,661	31,543,901	228,193,858	238,803	2,888,199
Espanola Schools - 1996	492,290	120	491,270	120	491,270	0	1,020
Espanola Schools - 1997	352,786	208	351,658	191	351,641	17	1,128
Espanola Schools - 1998	627,080	496	625,029	435	624,968	61	2,051
Espanola Schools - 1999	673,751	519	670,315	474	670,270	45	3,436
Espanola Schools - 2000	690,715	1,216	685,664	1,070	685,518	146	5,051
Espanola Schools - 2001	595,073	1,605	588,800	1,481	588,676	124	6,273
Espanola Schools - 2002	674,064	4,991	662,078	4,854	661,941	137	11,986
Espanola Schools - 2003	547,650	9,963	530,248	9,801	530,086	162	17,402
Espanola Schools - 2004	797,905	44,309	757,447	43,768	756,906	541	40,458
Espanola Schools - 2005	697,362	611,079	611,079	605,275	605,275	5,804	86,283
Total Espanola Schools	6,148,676	674,506	5,973,588	667,469	5,966,551	7,037	175,088
Pojoaque Schools - 1996	905,534	121	904,270	121	904,270	0	1,264
Pojoaque Schools - 1997	700,259	141	698,957	84	698,900	57	1,302
Pojoaque Schools - 1998	752,189	565	750,767	371	750,573	194	1,422
Pojoaque Schools - 1999	962,808	1,344	959,756	1,026	959,438	318	3,052
Pojoaque Schools - 2000	1,356,667	3,394	1,347,650	2,961	1,347,217	433	9,017
Pojoaque Schools - 2001	1,419,710	6,050	1,408,372	5,609	1,407,931	441	11,338
Pojoaque Schools - 2002	1,421,629	15,670	1,400,459	15,205	1,399,994	465	21,170
Pojoaque Schools - 2003	1,401,870	23,854	1,372,482	23,212	1,371,840	642	29,388
Pojoaque Schools - 2004	1,394,568	65,606	1,346,111	64,350	1,344,855	1,256	48,457
Pojoaque Schools - 2005	1,463,043	1,344,694	1,344,694	1,335,477	1,335,477	9,217	118,349
Total Pojoaque Schools	11,778,277	1,461,439	11,533,518	1,448,416	11,520,495	13,023	244,759

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit I-2
Page 4 of 5

Schedule of Property Taxes (Continued)

June 30, 2006

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
SCHOOLS DISTRICTS (Cont.):							
Moriarty Schools - 1996	878,978	141	877,569	141	877,569	0	1,409
Moriarty Schools - 1997	1,062,623	316	1,059,845	316	1,059,845	0	2,778
Moriarty Schools - 1998	1,138,647	721	1,135,021	721	1,135,021	0	3,626
Moriarty Schools - 1999	1,037,372	1,792	1,032,777	1,792	1,032,777	0	4,595
Moriarty Schools - 2000	1,145,777	2,762	1,139,071	2,762	1,139,071	0	6,706
Moriarty Schools - 2001	1,228,998	7,351	1,218,438	7,207	1,218,294	144	10,560
Moriarty Schools - 2002	1,491,428	14,195	1,471,799	14,066	1,471,670	129	19,629
Moriarty Schools - 2003	1,508,850	22,063	1,478,242	21,664	1,477,843	399	30,608
Moriarty Schools - 2004	1,649,077	64,238	1,594,653	63,526	1,593,941	712	54,424
Moriarty Schools - 2005	1,719,825	1,592,584	1,592,584	1,583,203	1,583,203	9,381	127,241
Total Moriarty Schools	12,861,575	1,706,163	12,599,999	1,695,398	12,589,234	10,765	261,576
Santa Fe Community College - 1996	7,677,626	526	7,669,414	526	7,669,414	0	8,212
Santa Fe Community College - 1997	8,179,811	1,425	8,172,424	1,371	8,172,370	54	7,387
Santa Fe Community College - 1998	8,447,373	1,786	8,432,382	1,742	8,432,338	44	14,991
Santa Fe Community College - 1999	8,885,168	2,117	8,867,163	1,977	8,867,023	140	18,005
Santa Fe Community College - 2000	9,492,971	6,244	9,468,646	6,006	9,468,408	238	24,325
Santa Fe Community College - 2001	11,612,150	15,813	11,574,130	15,432	11,573,749	381	38,020
Santa Fe Community College - 2002	12,134,011	50,765	12,068,987	49,404	12,067,626	1,361	65,024
Santa Fe Community College - 2003	12,806,404	104,872	12,687,877	97,899	12,680,904	6,973	118,527
Santa Fe Community College - 2004	13,804,829	497,316	13,559,110	489,552	13,551,346	7,764	245,719
Santa Fe Community College - 2005	18,227,129	17,230,760	17,230,760	17,117,278	17,117,278	113,482	996,369
Total Santa Fe Community College	111,267,472	17,911,624	109,730,893	17,781,187	109,600,456	130,437	1,536,579
TOTAL SCHOOL DISTRICTS	\$ 373,376,860	\$ 53,536,436	\$ 368,270,659	\$ 53,136,371	\$ 367,870,594	\$ 400,065	\$ 5,106,201
SPECIAL DISTRICTS:							
Edgewood Soil & Water Conservation - 1996	73,818	12	73,700	12	73,700	0	118
Edgewood Soil & Water Conservation - 1997	89,414	27	89,180	27	89,180	0	234
Edgewood Soil & Water Conservation - 1998	93,089	59	92,793	59	92,793	0	296
Edgewood Soil & Water Conservation - 1999	122,669	212	122,127	212	122,127	0	542
Edgewood Soil & Water Conservation - 2000	134,177	324	133,392	324	133,392	0	785
Edgewood Soil & Water Conservation - 2001	139,424	834	138,226	818	138,210	16	1,198
Edgewood Soil & Water Conservation - 2002	99,193	1,108	97,563	1,096	97,551	12	1,630
Edgewood Soil & Water Conservation - 2003	111,077	1,619	108,329	1,598	108,308	21	2,748
Edgewood Soil & Water Conservation - 2004	112,614	4,206	108,401	4,182	108,377	24	4,213
Edgewood Soil & Water Conservation - 2005	110,350	101,885	101,885	101,325	101,325	560	8,465
Total Edgewood Soil & Water Conservation	1,085,825	110,286	1,065,596	109,653	1,064,963	633	20,229

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Property Taxes (Continued)

June 30, 2006

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
SPECIAL DISTRICTS (Cont.):							
Eldorado Water & Sanitation - 1996	0	0	0	0	0	0	0
Eldorado Water & Sanitation - 1997	80,245	0	80,245	0	80,245	0	0
Eldorado Water & Sanitation - 1998	55,374	0	55,358	0	55,358	0	16
Eldorado Water & Sanitation - 1999	57,976	0	57,911	0	57,911	0	65
Eldorado Water & Sanitation - 2000	84,780	0	84,693	0	84,693	0	87
Eldorado Water & Sanitation - 2001	28,798	27	28,770	27	28,770	0	28
Eldorado Water & Sanitation - 2002	625,862	1,225	625,141	1,225	625,141	0	721
Eldorado Water & Sanitation - 2003	153,670	692	153,119	692	153,119	0	551
Eldorado Water & Sanitation - 2004	693,107	15,211	690,617	15,211	690,617	0	2,490
Eldorado Water & Sanitation - 2005	790,987	770,573	770,573	768,391	768,391	2,182	20,414
Total Eldorado Water & Sanitation	2,570,799	787,728	2,546,427	785,546	2,544,245	2,182	24,372
Rancho Viejo - 1996	0	0	0	0	0	0	0
Rancho Viejo - 1997	0	0	0	0	0	0	0
Rancho Viejo - 1998	0	0	0	0	0	0	0
Rancho Viejo - 1999	0	0	0	0	0	0	0
Rancho Viejo - 2000	90,330	0	90,330	0	90,330	0	0
Rancho Viejo - 2001	172,703	0	172,703	0	172,703	0	0
Rancho Viejo - 2002	187,858	0	187,858	0	187,858	0	0
Rancho Viejo - 2003	214,888	106	214,265	106	214,265	0	623
Rancho Viejo - 2004	242,206	4,594	241,583	4,594	241,583	0	623
Rancho Viejo - 2005	266,954	259,848	259,848	259,398	259,398	450	7,106
Total Rancho Viejo	1,174,939	264,548	1,166,587	264,098	1,166,137	450	8,352
TOTAL SPECIAL DISTRICTS	4,831,563	1,162,562	4,778,610	1,159,297	4,775,345	3,265	52,953
COUNTY GRAND TOTAL	\$ 676,901,611	\$ 99,394,592	\$ 667,230,270	\$ 98,620,363	\$ 666,456,041	\$ 774,229	\$ 9,671,341

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit J-1

Schedule of Bank Accounts

June 30, 2006

	<u>Total Deposits with Bank</u>	<u>Reconciling Items</u>	<u>Reconciled Balance</u>
First National Bank:			
Writ Fund	\$ 1,291	\$ (925)	\$ 366
Sheriff's Bond accounts	522,207	(205,401)	316,806
Confiscated property (forfeiture)	43,437	-	43,437
	<u>\$ 566,935</u>	<u>\$ (206,326)</u>	<u>\$ 360,609</u>
Guadalupe Credit Union - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Capital One - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Advanta Bank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
MarqBank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
Metropolitan National Bank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
Charter Bank - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Los Alamos National Bank - Certificate of Deposit	<u>\$ 10,100,000</u>	<u>\$ -</u>	<u>\$ 10,100,000</u>
OMNI National Bank - Certificate of Deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
State Employees Credit Union - Certificate of Deposit	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>
Wells Fargo Bank - Certificate of Deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Riggs Bank - Certificate of Deposit	<u>\$ 97,000</u>	<u>\$ -</u>	<u>\$ 97,000</u>
BNY Western Trust - Certificate of Deposit	<u>\$ 4,510</u>	<u>\$ -</u>	<u>\$ 4,510</u>
Century Bank - Certificate of Deposit	<u>\$ 80,869</u>	<u>\$ -</u>	<u>\$ 80,869</u>
Bank of Albuquerque	<u>\$ 100,778</u>	<u>\$ -</u>	<u>\$ 100,778</u>
First Community Bank:			
Escrow account	\$ 104,207	\$ -	\$ 104,207
Money market	88,290	(3,884,229)	(3,795,939)
Certificate of deposits	12,100,003	-	12,100,003
GOB series 1997	60,313	-	60,313
Inmate Trust	171,161	21,218	192,379
Juvenile Trust	19,526	(5,964)	13,562
	<u>\$ 12,543,500</u>	<u>\$ (3,868,975)</u>	<u>\$ 8,674,525</u>

In addition, \$118,469 of funds were on deposit at Merrill Lynch.

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Pledged Collateral

June 30, 2006

	First National Bank	First Community Bank	Los Alamos National Bank	Grandshape Credit Union	Capital One	Advanta Bank	MircoBank	Metropolitan National Bank	Charter Bank	OMNI National Bank	State Employees Credit Union	Wells Fargo Bank	Riggs Bank	BNY Westam Trust	Century Bank	Bank of Albuquerque
Total amount of deposits (bank balances)	\$ 566,935	\$ 12,543,500	\$ 10,100,000	\$ 100,000	\$ 100,000	\$ 99,000	\$ 99,000	\$ 99,000	\$ 100,000	\$ 99,000	\$ 200,000	\$ 100,000	\$ 97,000	\$ 4,510	\$ 80,869	\$ 100,778
Less FDIC or NCUSIF coverage	100,000	100,000	100,000	100,000	100,000	99,000	99,000	99,000	100,000	99,000	100,000	100,000	97,000	4,510	80,869	100,000
Total uninsured public funds	466,935	12,443,500	10,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100,000	N/A	N/A	N/A	N/A	778
50% collateral requirement	233,468	6,221,750	5,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,000	N/A	N/A	N/A	N/A	389
Pledged securities (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (11)	2,688,797	7,845,957	10,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A	N/A	N/A	N/A	-
Under secured	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 50,000	N/A	N/A	N/A	N/A	\$ 389
Pledged securities in the County's name held by the Federal Reserve	-	-	10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Letter of Credit	-	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1) FFCB, 3.38% matures June 12, 2008 CUSIP 31331TMT5	-	48,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) FFCB, 3.38% matures June 12, 2008 CUSIP 31331TMT5	-	673,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3) FHLB, 3.88% matures August 14, 2009 CUSIP 3133X8C59	-	430,173	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) FHLB, 3.75% matures August 15, 2008 CUSIP 3133X0LJ6	-	130,444	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) FHLB, 3.63% matures November 14, 2008 CUSIP 3133X2BZ7	-	220,583	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(6) FHLB, 3.05% matures December 30, 2008 CUSIP 31339YEL2	-	188,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(7) FHLB, 3.05% matures December 30, 2008 CUSIP 31339YEL2	-	203,108	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(8) FHLMC, 5.0% matures October 1, 2018 CUSIP 312962FT5	-	477,861	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(9) FNMA, 3.25% matures February 15, 2009 CUSIP 31359MTZ6	-	473,440	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(10) FNMA, 5.5% matures July 1, 2031 CUSIP 31387CSK3	125,696	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(11) FHLB, 6.375% matures August 15, 2006 CUSIP 313M9F09	2,563,101	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ 2,688,797	\$ 7,845,957	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

In addition, \$118,469 of funds were on deposit at Merrill Lynch. There was \$100,000 of SIPC coverage at June 30, 2006. Thus \$18,469 of these funds did not have collateral. See audit finding 06-02.

Bank Balance	
In summary Insured	\$ 1,578,379
Collateralized	
Collateral held by third party in the County's name or letter of credit issued in the County's name	18,313,432
Uninsured and uncollateralized	4,716,790.00
	\$ 24,608,601

STATE OF NEW MEXICO
SANTA FE COUNTY

Financial Data Schedule

June 30, 2006

FDS Line Item No.	ASSETS	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Total
	Current Assets:					
111.0	Cash	\$ 2,047,465	\$ 2,057,034	\$ 184,895	\$ -	\$ 4,289,394
114.0	Cash - Tenant Security Deposits	59,173	-	104,207	-	163,380
	Accounts Receivable:					
121.0	PHA Projects	-	-	-	-	-
122.0	HUD Other Projects	-	-	-	114,122	114,122
125.0	Miscellaneous	-	-	19,320	-	19,320
126.0	Tenants - Dwelling Rents	200,862	-	-	-	200,862
	Allowance for Doubtful Accounts:					
126.1	Dwelling Rents	(128,435)	-	-	-	(128,435)
126.2	Other	-	-	-	-	-
144.0	Interprogram Due From	-	-	-	-	-
150.0	Total current assets	2,179,065	2,057,034	308,422	114,122	4,658,643
	Property and Equipment:					
161.0	Land	621,465	-	-	-	621,465
162.0	Buildings	6,293,764	-	-	-	6,293,764
163.0	Furniture, Equipment & Machinery	450,033	-	-	-	450,033
166.0	Less Accumulated Depreciation	(3,681,997)	-	-	-	(3,681,997)
160.0	Total property and equipment	3,683,265	-	-	-	3,683,265
190.0	TOTAL ASSETS	\$ 5,862,330	\$ 2,057,034	\$ 308,422	\$ 114,122	\$ 8,341,908

STATE OF NEW MEXICO
SANTA FE COUNTY

Financial Data Schedule (Continued)

June 30, 2006

FDS Line Item No.	LIABILITIES AND FUND EQUITY					Total
	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program		
	\$ 8,523	\$ -	\$ 1,384	\$ 6,367	\$	\$ 16,274
312.0	Accounts Payable <=90 Days					
321.0	Accrued Wage/Payroll Taxes Payable	15,837	-	-	-	15,837
341.0	Tenant Security Deposits	59,173	104,207	-	-	163,380
343.0	Current Portion of Long-Term Debt	113,499	-	-	-	113,499
345.0	Other Current Liabilities	-	135,557	-	-	135,557
346.0	Accrued Liabilities - Other	-	-	-	164,140	164,140
347.0	Interprogram Due To	-	-	-	-	-
310.0	Total current liabilities	197,032	241,148	170,507		608,687
351.0	Long-Term Debt, Net of Current	10,394,559	-	-	-	10,394,559
350.0	Total Noncurrent Liabilities	-	-	-	-	-
300.0	Total liabilities	10,591,591	241,148	170,507		11,003,246
	Fund Equity:					
508.1	Invested in Capital Asset, Net of Related Debt	(6,824,793)	-	-	-	(6,824,793)
509.1	Reserved for Encumbrances	-	-	-	11,640	11,640
510.0	Reserved for Capital	-	-	-	-	-
512.1	Unrestricted Net Assets	2,095,532	2,057,034	67,274	(68,025)	4,151,815
513.0	Total fund equity	(4,729,261)	2,057,034	67,274	(56,385)	(2,661,338)
600.0	TOTAL LIABILITIES AND FUND EQUITY	\$ 5,862,330	\$ 2,057,034	\$ 308,422	\$ 114,122	\$ 8,341,908
		135				(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit K-1
Page 3 of 4

Financial Data Schedule (Continued)

June 30, 2006

FDS Line Item No	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Total
Operating Revenues:					
703.0	\$ 409,788	\$ -	\$ -	\$ -	\$ 409,788
706.0	523,318	243,401	1,815,314	467,225	3,049,258
706.1	-	-	-	-	-
711.0	-	-	-	-	-
715.0	232,195	-	11,631	-	243,826
716.0	-	-	-	-	-
720.0	-	-	-	-	-
700.0	<u>1,165,301</u>	<u>243,401</u>	<u>1,826,945</u>	<u>467,225</u>	<u>3,702,872</u>
Operating expenses:					
911.0	185,558	-	-	-	185,558
912.0	12,160	-	-	-	12,160
915.0	47,559	-	-	-	47,559
916.0	35,485	-	-	-	35,485
921.0	191,015	-	-	-	191,015
923.0	48,958	-	-	-	48,958
924.0	-	-	-	-	-
931.0	63,293	-	-	-	63,293
932.0	22,108	-	-	-	22,108
933.0	20,525	-	-	-	20,525
938.0	89,476	-	-	-	89,476
Ordinary Maintenance and Operations:					
941.0	169,185	-	-	-	169,185
942.0	26,327	-	-	-	26,327
943.0	-	-	-	-	-
945.0	43,362	-	-	-	43,362
952.0	-	-	-	-	-
General Expenses:					
961.0	45,207	-	-	-	45,207
962.0	-	197,722	-	378,334	576,056
964.0	-	-	-	-	-
966.0	-	-	-	-	-
967.0	371,395	-	-	-	371,395
969.0	<u>1,371,613</u>	<u>197,722</u>	<u>-</u>	<u>378,334</u>	<u>1,947,669</u>
970.0	<u>(206,312)</u>	<u>45,679</u>	<u>1,826,945</u>	<u>88,891</u>	<u>1,755,203</u>
Non Operating Expenses:					
973.0	-	-	1,660,568	-	1,660,568
974.0	247,351	-	-	-	247,351
	<u>247,351</u>	<u>-</u>	<u>1,660,568</u>	<u>-</u>	<u>1,907,919</u>
900.0	<u>1,618,964</u>	<u>197,722</u>	<u>1,660,568</u>	<u>378,334</u>	<u>3,855,588</u>
1001.0	300,489	-	-	-	300,489
1002.0	-	(45,679)	(166,377)	(88,891)	(300,947)
1008.0	<u>(279,966)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279,966)</u>
Excess (Deficiency) of					
1000.0	<u>\$ (433,140)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (433,140)</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Financial Data Schedule (Continued)

June 30, 2006

FDS Line Item No.	Memo Account Information	Low Rent		Section 8 Vouchers	CFP Program	Total
		Public Housing	Housing Services			
1103.0	Beginning Equity	\$ (4,296,121)	\$ 2,057,034	\$ 67,274	\$ (56,385)	\$ (2,228,198)
1120.0	Unit Months Available	2,232	-	2,892	-	5,124
1121.0	Number of Unit Months Leased	186	-	241	-	427

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit L-1

Supplemental Schedule of Completed Grants

Years Ended June 30, 2006

Description	Note A	
	NM02P050501-02	
	<u>CFP</u>	
Funds approved - latest budget	\$	481,805
Funds advanced		481,805
Funds expended		<u>481,805</u>
	\$	<u>-</u>

Note A: This CFP grant was completed by the Santa Fe County Housing Authority during fiscal year 2006 and the final report submitted to HUD which approved the closing on July 6, 2005.

Note B: The distribution of costs shown on schedules submitted to HUD for approval are in agreement with the Authority's records and all grant costs and expenses and all related liabilities have been paid and liquidated through payments.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit M-1

Supplemental Schedule of Expenditures of Federal Awards

Year Ended June 30, 2006

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2005</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2006</u>	
Direct Assistance						
U.S. Department of Housing and Urban Development						
CFP *	14.872	\$ 107,403	\$ 460,507	\$ 467,224	\$ 114,120	
Housing Development Grant *	14.872	136,967	380,368	231,377	(12,024)	
Total		244,370	840,875	698,601	102,096	
Section 8 Voucher *	14.871	-	1,950,871	1,950,871	-	
Low rent subsidy *	14.850	37,242	597,802	560,560	-	
Total U.S. Department of Housing and Urban Development		281,612	3,389,548	3,210,032	102,096	
U.S. Department of Justice:						
Home for Good - JAG	16.unknown	-	50,908	57,439	6,531	
Bureau of Justice Assistance-(SCAAP)	16.606	-	15,897	15,897	-	
Bureau of Justice Assistance	18.592	(19,034)	-	19,034	-	
Total U.S. Department of Justice		(19,034)	66,805	92,370	6,531	
Office of National Drug Control Policy:						
High Intensity Drug Trafficking Area (HIDTA)	16.unknown	82,814	172,328	215,947	126,433	
U.S. Department of Health & Human Services						
Craft Grant - 2001	93.230	(131)	-	-	(131)	
Craft Grant - 2002	93.230	(20,806)	-	-	(20,806)	
Craft Grant - 2003	93.230	32,470	-	-	32,470	
Total U.S. Department of Health & Human Services		11,533	-	-	11,533	
U.S. Department of Education - Life Skills *	84.255A	22,122	230,150	304,904	96,876	
U.S. Department of Agriculture	10.unknown	11,411	22,930	62,457	50,938	
U.S. Environmental Protection Agency	66.unknown	-	-	123,400	123,400	
Total Direct Assistance		390,458	3,881,761	4,009,110	517,807	
Pass through						
	<u>Pass Through Entity Identifying Number</u>					
Department of Transportation - Traffic Safety pass through from New Mexico Department of Transportation	04-CD-31-081	20.600	42,837	90,676	88,216	40,377
U.S. Forest Service pass through from Department of Finance and Administration (DFA)	10.unknown	-	42,406	42,406	-	
U.S. Forest Service - Payment in lieu of taxes pass through from DFA	10.unknown	-	426,443	426,443	-	
U.S. Forest Service - Grazing payment pass through from DFA	10.unknown	(8,696)	938	5,000	(4,634)	
U.S. Forest Service: HAZMAT	10.unknown	(15,928)	15,000	24,687	(6,241)	
Department of Transportation pass through Energy, Minerals & Natural Resources: National Recreational Trails	20.unknown	17,793	-	-	17,793	
Housing and Urban Development: Community Development Block Grant - Teen Center pass through DFA	99-C-NR-1-3-G-12	14.218	63,818	-	63,818	
Community Development Block Grant - Agua Fria Community Center pass through DFA*	04-C-NR-1-3-G-71	14.218	-	300,000	300,000	
U.S. Department of Justice: Region III grant pass through from New Mexico Department of Public Safety	03-MJTF	16.579	82,973	294,348	271,446	60,071
Federal Office of Emergency Services and Security pass through from Department of Public Safety	97.042	141,533	80,686	99,412	160,259	
Total pass through assistance		324,330	1,250,497	1,257,610	331,443	
Total assistance to County		\$ 714,788	\$ 5,132,258	\$ 5,266,720	\$ 849,250	
Housing Services - Notes Payable to HUD:						
Loan Balance at July 1, 2005		\$ 5,168,414				
Forgiven principal in current period		(106,470)				
Loan Balance at June 30, 2006		\$ 5,061,944				

*Major federal financial assistance program

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Notes to Supplemental Schedule of Expenditures of Federal Awards

June 30, 2006

General

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of New Mexico, Santa Fe County (the County).

Basis of Accounting

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the County's financial statements. The County does not grant federal funds to sub-recipients. The only non cash federal assistance received is the forgiveness of the HUD debt of \$106,470 and interest of \$95,247 recorded in the Housing Services enterprise fund.

Relationship to Governmental Fund Financial Statements

	<u>CFDA #</u>	<u>Amount</u>
U.S. Department of Housing and Urban Development (HUD) Revenue:		
Section 8 Voucher	14.871	\$ 1,950,871
CFP Program	14.872	467,224
Housing Development accounted for in Housing Services Grant Program Fund	14.872	231,377
Low rent subsidy accounted for in Housing Services Enterprise Fund	14.850	560,560
Community Development Block Grant pass through from DFA accounted for in the Special Appropriations Fund	14.218	300,000
U. S. Department of Transportation:		
Traffic Safety accounted for in the General Fund	20.600	88,216
Federal Office of Emergency Services and Security pass through from Department of Public Safety accounted in EMS Health Care Fund	97.042	99,412
U.S. Forest Service pass through accounted for in the Road Maintenance	10.unknown	42,406
U.S. Forest Service pass through accounted for in the General Fund	10.unknown	426,443
U.S. Forest Service – Grazing payment pass through DFA accounted for in the Farm and Range Fund	10.unknown	5,000
U.S. Forest Service: Hazmat accounted for in the General Fund	10.unknown	24,687
U.S. Department of Justice revenue:		
Bureau of Justice accounted for in the Law Enforcement Protection Fund	18.592	19,034
Region III accounted for in the General Fund	16.579	271,446
SCAAP accounted for in the Jail Facility Fund	16.606	15,897
Home For Good - JAG accounted for in the General Fund	16.unknown	57,439
Office of National Drug Control Policy		
HIDTA accounted for in the General Fund	16.unknown	215,947
U.S. Department of Education: Life Skills	84.255A	304,904
U.S. Environmental Protection Agency accounted for in the Santa Fe River Fund	66.unknown	123,400
U.S. Department of Agriculture Accounted for in the EMS Healthcare Fund	10.unknown	62,457
		<u>\$ 5,266,720</u>
Total federal revenue		

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Barracough & Associates, P.C.
Certified Public Accountants & Consultants

1422 Paseo de Peralta
Post Office Box 1847
Santa Fe, New Mexico 87504
(505) 983-3387
(505) 988-2505 FAX
(800) 983-1040 Toll Free
ba@barracough.com

Principals
John E. Barracough, Jr., C.P.A.
Annette V. Hayden, C.P.A.
Sandra M. Shell, C.P.A., C.V.A.
Joseph A. Sisneros, C.P.A.

Managers
Douglas W. Fraser, C.P.A.
Rick W. Reynolds, C.P.A.
Rhonda G. Williams, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Domingo P. Martinez, CGFM State Auditor
and
County Commissioners of the
State of New Mexico, Santa Fe County:

Compliance

We have audited the compliance of the State of New Mexico, Santa Fe County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the County Commissioners, County's management, State of New Mexico Office of the State Auditor, federal awarding agencies, pass-through entities and is not intended to be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Barracough & Associates P.C.", written in a cursive style.

October 28, 2006

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the State of New Mexico, Santa Fe County (the County).
2. The reportable conditions relating to the audit of the financial statements are reported in the Memorandum on Accounting Procedures and Internal Controls as findings 06-01, and 06-02.
3. No current year instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. There are no reportable conditions disclosed during the audit of the major federal award programs as reported in the Independent Auditors' Report on Compliance with requirements applicable to each major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the County.
7. The programs tested as major programs included:

	<u>CFDA#</u>
• CFP and Housing Development Grant	14.872
• Section 8 Voucher	14.871
• Low Rent Subsidy	14.850
• Life Skills	84.255A
• Community Development Block Grant	14.218

8. The threshold for distinguishing Types A and B programs were programs having expenditures greater than \$300,000.
9. The County was determined as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

See Memorandum on Accounting Procedures and Internal Controls.

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Findings and Questioned Costs

June 30, 2006

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None

D. FOLLOW UP ON PRIOR YEAR SINGLE AUDIT FINDINGS

None

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1422 Paseo de Peralta
Post Office Box 1847
Santa Fe, New Mexico 87504
(505) 983-3387
(505) 988-2505 FAX
(800) 983-1040 Toll Free
ba@barracough.com

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Mr. Domingo P. Martinez, CGFM State Auditor
and
County Commissioners of the
State of New Mexico, Santa Fe County

We have audited the basic financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information, as listed in the table of contents of the State of New Mexico, Santa Fe County (the County) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 28, 2006. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds and budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2006, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as item 06-01 and 06-02.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Barnaclough & Associates, P.C.

We also noted other deficiencies involving internal control over financial reporting that are required to be reported under Section 12-6-5 NMSA 1978, which are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as findings 06-03 to 06-05.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted other instances of non compliance that are required to be reported per section 12-6-5 NMSA 1978 which are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as findings 06-03 to 06-05.

This report is intended for the information and use of the County Commissioners, the County's management, State of New Mexico Office of the State Auditor, federal awarding agencies, pass-through entities and is not intended to be used by anyone other than these specified parties.



October 28, 2006

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Memorandum on Accounting Procedures and Internal Controls

June 30, 2006

Reportable Condition for the Applicable Funds 06-01 Decentralized Accounting

Statement of Condition

Many of the accounting transactions originate outside the Finance Department. This increases the risk that transactions may not be recorded timely or correctly. For example, the following transactions had to be adjusted for during the audit:

- The Jail Facility accounts receivable information as provided to the Finance Department from the jail operations contractor has contained errors since the jail started operations. This has caused the past due accounts receivables and disputed balances at year end, which created audit adjustments. The County needs to determine the extent of the billing errors and if the approximately \$1.2 million of old receivables were even valid billings. Emphasis should also be placed on collection efforts and how adjustments to billings are prepared and recorded.
- The billing of road projects originates outside of the Finance Department and had not been timely billed until at year-end. Also, many projects are not progress billed and only billed until completed. There is no system in place to ensure that all expenditures which can be billed are being billed timely to the Department of Transportation.
- Several special revenue funds did not have timely grant billing to their respective grantor agencies and resulted in adjustments to those funds. In addition, the aging for receivables such as the ambulance billings detail, utilities receivable detail, and various grant receivables had substantial amounts of billings that are past due at June 30, 2006.
- Enterprise fund accounting for the utilities, jail, housing and for home sales have grown in complexity and volume of transactions. The County accounts for these enterprise funds on a Non GAAP budgetary basis of accounting but needs to account for these funds on a full accrual basis to reflect activity like a business in its general ledger.
- Written procedures for the accounting functions have been drafted but are not completed and there is no overall accounting manual.

Criteria

Accounting transactions that originate outside the Finance Department need to be recorded properly and timely and have adequate supporting documentation. Receivables need to be billed and collected timely. An overall accounting manual needs to be completed.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Reportable Condition for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Effect

Certain transactions have not been recorded properly until the year-end audit process.

Cause

Certain accounting transactions are originated by departments outside of the Finance Department.

Recommendation

To ensure that all accounting transactions are recorded properly and financial statements can be prepared in accordance with GAAP and budgetary purposes, the accounting and reporting functions must be improved. The County should implement the following recommendations:

- The County internal audit position should be used to audit accounting transactions that originate outside the control of the Finance Department and revenue generating functions such as property tax, ambulance billing, road projects, franchise fees, and jail operations.
- We recommend that all accounts receivable billings and revenue recording be the responsibility of the Finance Department. A job cost accounting system for road projects needs to be established to track costs and billings for specific projects. The billing for the State's share of road projects and significant grant programs need to be done timely. The Finance department should require documentation as to the status of the road projects from the Public Works department and on a monthly basis to ensure projects are billed timely. Past due receivables need more timely collection efforts throughout the year.
- Enterprise fund activity needs to be recorded on a full accrual basis during the year to better reflect the financial status of these funds.
- A complete accounting manual that includes all accounting areas will assist personnel to record transactions properly and timely.

Management Response

The County assumed operations of the Jail Facility on October 12, 2005. The County recognizes the importance and the need for improvement of the accounts receivable process. The County is currently working with the previous contract for final contract settlement and will continue to pursue the identification of a valid accounts receivable value. The County will then reclassify any invalid old receivables. As the operator, the County is currently documenting procedures that will assist in collection efforts and the accurate and timely processing of any adjustments to billings.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Reportable Condition for the Applicable Funds 06-01 (Continued)

Management Response (Continued)

The Santa Fe County Finance Department was able to fill one Internal Auditor position and this position will continue to address the items specifically stated in this year's financial audit. With the assumption of the jail, the Internal auditor was dedicating time to the juvenile facility, the electronic monitoring program and operations of the adult facility.

The Finance Department continues to coordinate monthly reporting requirements for departments initiating billing documentation outside of Finance. Management is aware of this condition and is addressing potential options with the Finance Department in an effort to rectify this situation. The Finance Department has dedicated an Accounts Receivable (A/R) Supervisor to assist current staff with the accounting transactions that originate outside of the department. The A/R Supervisor will also be charged with working with respective departments to analyze the aging of receivables and to ensure that billings are timely to avoid adjustments and past due balances. The Finance Department will continue to work with the Public Works Department to ensure timely billings. The billings for road projects are normally done upon completion of the road rather than monthly/quarterly progress billings. Finance will continue to coordinate a billing process for road projects on a quarterly basis at a minimum to assist with timely collection efforts.

The County's strategic planning process continues to address the issue of coordination of department responsibilities for the same types of transactions (i.e. billings to grantors). The County recognizes this as a large area of deficiency. Management will implement a strategic plan for better coordination and operations within departments themselves. The strategic plan will also require better coordination with the Finance Department for the processing of timely billings. Timely billings will eliminate the delay of processing transactions at year-end and improve accounting and reporting functions overall.

During the fiscal year, the Finance Department will move in the direction of accounting for the enterprise funds on a full accrual basis to reflect activity like a business.

The Finance Department has draft procedures documented that need minimal revisions given accounting software updates and small programmatic changes. Once finalized, the procedures shall be taken to the Board of County Commissioners for approval to develop an accounting manual for distribution to all County staff.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Reportable Condition for Cash Controls 06-02

Statement of Condition

The County has made improvements during the year in the cash controls area since last year's audit. However we noted the following items that need improvement.

- In confirming ending cash balances and authorized signers on all County bank accounts with their associated third parties, we noted that one account with an ending balance of \$2,497,917 still showed a prior County Treasurer as an authorized signer along with the current County Treasurer. We also noted on another account with an ending balance of \$100,000, that a prior County Treasurer and a former employee were designated as the only authorized signers.
- There was \$118,469 of cash on deposit at Merrill Lynch at June 30, 2006. There was only \$100,000 of SIPC coverage related to these funds, thus \$18,469 did not have any secured collateralization. There was \$200,000 in certificates of deposit at State Employees Credit Union, of which only \$100,000 had NCUSIF coverage. In addition, there was \$100,778 on deposit at Bank of Albuquerque of which only \$100,000 had FDIC coverage.
- The present computer system allows cashiers in the County Treasurer's office to edit a batch and make changes without leaving an audit trail. The County has discussed this problem with their software vendor, and the vendor was not able to modify the software.
- No records of overages and shortages by cashier or by other departments or locations that accept payments are being kept.
- The Employee Benefit fund which is used for employee functions has repaid to the County the funds that were improperly deposited to this account. However the County needs to determine if the employee benefit activities should be directed through another entity (i.e. not for profit).
- We noted that cash receipts have not been timely posted as payment on accounts receivable but have been recorded as unapplied cash payments.
- We noted that there was \$38,128 in the Adult Inmate Trust Agency Fund cash account that needs to be researched to determine whether or not it is cash held in trust, or if it relates to inmate welfare in general. We also noted that there were many old outstanding amounts in the Sheriff Bond Agency Fund that need to be researched to determine if they should be escheated to the State of New Mexico as abandoned property.

Criteria

- Proper controls over the authorization on accounts and receipt function need to exist at all departments and locations.
- According to New Mexico State Law, uninsured bank balances must have 50% pledged collateral from the financial institution. Authorized signers on bank accounts need to be updated timely.
- Cash held in trust through agency funds needs to correlate directly with the corresponding party in which the cash was collected.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Reportable Condition for Cash Controls 06-02 (Continued)

Effect

- Poor controls can increase the risk of County funds to be misdirected.
- The County and the financial institutions are not in compliance with the State Law.

Cause

- Insufficient resources allocated to cash receipt function.
- No updating of authorized signers on bank accounts being conducted when employees terminate.
- Lack of Bank and management oversight.

Recommendation

The County should determine if a cash register type of system can be used to allow for better controls of cash receipts. Waived penalties and interest need to be recorded on the general ledger system to maintain an audit trail of amounts waived. Also the amount of cash overages and shortages also need to be recorded on the general ledger. The internal audit function must include in its scope of work cash controls and waived property tax interest and penalties. Also, activity recorded to unapplied payments received need to be recorded as payments on accounts receivable timely.

Also the County's internal audit function needs to ensure that no County funds are improperly deposited in the employee benefit account. The County should review if another entity should be used to direct County employee charitable donations.

The County needs to comply with applicable regulations regarding authority given on bank accounts. Management should have sufficient pledged collateral at financial institutions to ensure that State Law regarding adequate pledged collateral is followed, or have the financial institution ensure that it is transferring funds to the County or other accounts with adequate collateral daily. The County must have the financial institution provide documentation of collateral on an on-going basis when the cash balance exceeds \$100,000.

The County must research old outstanding items related to cash held for others, and follow the respective State Law regarding escheatment if required.

Management Response

In October 2006, the County submitted correspondence to the corresponding bank institutions requesting that signature authority be updated to coincide with the recent staffing changes to ensure proper controls over authorizations on accounts. The Finance Department will ensure better coordination with the Treasurer's Office to update all accounts upon the termination and/or change in staff.

Santa Fe County is aware that New Mexico State Law requires that uninsured bank balances must have 50% pledged collateral from the bank. The County will coordinate with the banking institutions to ensure that funds are either swept timely by month end or that sufficient collateral is pledged to avoid uninsured bank balances. The Finance Department will include within its monthly cash reconciliation process a procedure to include verification of pledged collateral.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Reportable Condition for Cash Controls 06-02 (Continued)

Management Response (Continued)

The County is preparing for a computer system upgrade to a higher version and will research upgraded system capacity to determine if cashiers in the County Treasurer's Office may be limited from editing a batch and making changes without the required audit trail. If the upgrade does not accommodate this issue, the County will explore possible modifications to the software with the vendor or other avenues.

The County will ensure, by establishing policy and providing training for appropriate staff, that records of overages and shortages by cashier and other departments/locations accepting payments are kept. The County did begin recording overages and shortages for the Inmate Trust Account during FY 2006.

Santa Fe County is cognizant of the accounting requirements of public monies as stipulated in the New Mexico State Constitution Article IX, Section 14. Management has met with the Attorney General's Office regarding the matter. The Board of County Commissioners has adopted a County ordinance addressing the employee benefit fund. The Finance Department will coordinate with the Legal Office to research the possibility of using a not for profit entity to direct county employee charitable donations.

The unapplied cash payments resulted from the movement of the alcohol programs from the general fund to a specific fund. The corresponding accounts receivable charge codes were not updated to reflect the change in funds resulting in the unapplied payments in the general fund. The Finance Department has corrected the charge codes and will ensure procedures are updated to accommodate the routine verification of codes to corresponding changes to the chart of accounts.

The Finance Department will ensure that the cash account balance in the Inmate Trust Agency Fund is properly classified to the inmate welfare fund in general. The Finance Department plans to add another staff member to the Accounts Receivable Unit, and will dedicate staff to research the outstanding amounts in the Sheriff Bond Agency Fund and escheat abandoned property to the State of New Mexico.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Other Findings

Capital Assets 06-03

Statement of Condition

- The list of County employees provided to us that have the privilege of taking a County vehicle home with them includes employees that have jobs outside the police and fire departments. Approximately 30 non police and fire employees will need to have additional compensation reported at year end based on IRS guidelines when the County vehicles are used to commute to work. The County had over 300 vehicles at June 30, 2006.
- The annual lease payments for voting machines had been incorrectly capitalized.

Criteria

- IRS regulations must be followed regarding including compensation to the employees' W-2 for the commuting use of County vehicles.
- Voting machines financed by capitalized leases had been previously recorded. Lease payments are a reduction of the liabilities.

Effect

- Non compliance with IRS regulations and incorrect recording of lease payments.

Cause

- 2005 W-2s did not include additional compensation for commuting use of County vehicles.
- Incorrect recording regarding capital lease payments.

Recommendation

- The value of commuting and other use of County vehicles that meet IRS reporting requirements as a taxable fringe benefit must be included as compensation on the employees' W-2s.
- Assets acquired by capital lease agreements are recorded to the capital asset records when the County enters into the capital lease agreement and not by their annual lease payment amount.

Management Response

For the calendar year ending December 2006, all non-police and non-fire employees taking a County vehicle home will receive W-2s including additional compensation for commuting use of County vehicles. The Finance Department is currently tracking a countywide vehicle inventory listing by assigned staff. The Finance Department currently has in draft form a policy to be taken before the Board of County Commissioners for approval, specifically addressing personal commuting use of vehicles and compliance with IRS requirements.

The incorrect recording regarding capital lease payments was an oversight by staff and has since been corrected.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Other Findings

Disbursements 06-04

Statement of Condition

During our testwork of 100 disbursements and during other audit work we noted the following exceptions.

- No documentation could be located to verify that informal requests for proposals or quotes were initiated for three professional services contracts in amounts between \$3,001-\$19,999. These contracts were entered into prior to April 2006 when the County updated its procurement policy.
- We noted five instances in which the price contractually agreed to was not being paid. In each case, no documentation of price amendments to the contracts could be located that matched the prices paid by the County. Specifically:
 - One contract for road materials stated they would be charged at \$9.40/ton, but the County was billed and paid for the materials at \$11.90/ton.
 - Another contract for road materials showed contractual prices per ton at \$31.50/ton and \$34.75/ton, but the County was billed and paid for the materials at \$31.75/ton and \$35.00/ton respectively.
 - The billable rate per hour for legal services per one contract should have been charged at \$125.00/hr per the contract, but were billed and paid at \$129.00/hour.
 - Another legal services agreement contracted that photocopy and facsimile charges would be billed at \$.10 per page, but were actually charged and paid at \$.15/copy and \$.75/fax.
 - In a contract for the food service program for the Youth Development Program, the contract states that compensation was not to exceed \$20,000 in a month, but the County was billed and paid \$26,804.70 for the month of June, 2006.
- We noted one voucher that was incomplete, in which the payment was made but no invoice or receipt could be located for the goods purchased in the amount of \$2,438.94.
- We noted two invoices that included late fees of \$40.33 and \$5.00 for untimely payments.
- We noted a payment for \$155.18 of clothing for an employee in the Human Resources department. The County does not have a written policy on allowable clothing allowances for employees, or how they should be treated by the recipient for tax purposes.
- We noted one contract that was awarded to a private contractor for \$50,960.00 that appears to constitute more of an employer-employee relationship based on IRS guidelines since the contractor is required to work full time for the County. Also when the contract was awarded, the contractor did not have a New Mexico Tax Identification number.
- A travel reimbursement for airfare in the amount of \$794.80 was paid to an employee with no corresponding receipt for the actual amount that could be located. All other actual expenses were verified by receipts, with the exception of the airfare.
- We noted that no deductions for contributions to the Public Employees Retirement Association of New Mexico were being withheld for one retired elected official earning more than \$25,000. The elected official's term began in January 2005.
- We noted that the County disbursed a total of approximately \$3,300 as ten dollar Christmas gifts for all the inmates.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Other Findings

Disbursements 06-04 (Continued)

- In addition, the County has no written policy that addresses the criteria for the propriety of certain expenditures related to gifts of Santa Fe County caps, shirts, pens, etc., and other marketing items.

Criteria

- The County needs to comply with its procurement policy regarding requests for proposals, the County's Per Diem rules, contractual agreements with vendors, and pay all outstanding warrants in a timely manner.
- The County needs to develop a written policy on employee clothing allowances and follow all corresponding IRS regulations. PERA plan provisions regarding membership must be followed; specifically, as of July 1, 2003 retired elected officials can no longer exempt themselves from PERA contributions once they earn more than \$25,000 a year.
- In addition, the County needs to develop a written policy outlining criteria that addresses the propriety of expenditures related to gifts of Santa Fe County caps, shirts, pens, etc. and other marketing items, along with monetary disbursements of Christmas gifts for inmates. Also, this policy must comply with State law.

Effect

Non compliance with applicable rules and regulations and insufficient written procedures regarding disbursements.

Cause

Insufficient review of invoices and contracts, and/or a misunderstanding as to specific rules and regulations regarding disbursements.

Recommendation

All employees involved in the approving and disbursements function should have training regarding the various County requirements on purchasing and disbursements. Also, employees approving disbursements need to closely inspect invoice pricing with regards to contractual amounts. The County must comply with any applicable rules and regulations regarding employee benefits. The County must address the propriety in which expenditures are being made to ensure proper legal guidelines are being followed. The County should follow guidance from the Department of Finance and Administration's letter dated March 19, 2002 to state agencies regarding the propriety of marketing items and other items given to employees or others. The County in general must comply with State law and not give County funds to inmates.

Management Response

The Finance Department will work with staff of the procurement division and the contract manager to ensure that sufficient documentation is on file and new procurement policies are adhered to. The internal audit function will also conduct review of the professional service contract files to limit the finding of insufficient documentation.

The Finance Department will assist County staff approving invoices for payment to ensure that contractually agreed prices match invoiced amounts. The Finance Department will also ensure that contractually agreed prices are paid by

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Disbursements 06-04 (Continued)

Management Response (Continued)

training staff to conduct a better review of invoices and contracts.

The Finance Department has added an additional Accounts Payable Technician plus a dedicated supervisor to the Accounts Payable Unit with intention of eliminating missing documentation, and to ensure that policy, rules and agreements are followed. The additional staff should assist with the timely payment of invoices to vendors to avoid late fees and assist in the verification of accurate invoice pricing with regards to contractual amounts.

The Finance Department is currently drafting a policy for Board of County Commissioners approval specifically addressing clothing allowances. The Finance Department will research the private contractor that appears to constitute an employee status and take necessary corrective action to ensure compliance with IRS regulations.

The Finance Department has coordinated with the Human Resources Department to ensure that measures are in place to follow PERA plan provisions and to ensure that provisions regarding membership are followed. The Finance Department has sent correspondence to PERA identifying the particular case resulting in no deductions for contributions for one retired elected official. The County will work with PERA to ensure that deductions are made current.

Both the Finance Department and Legal Office met with representatives from the Department of Finance and Administration regarding the establishment of criteria for the propriety of certain expenditures related to gifts of caps, shirts, pens, etc. All purchases by individual commissioners must now be presented and approved by all commissioners via the monthly board meetings. The Finance Department and Legal Office will work together to develop a policy to comply with state law and will ensure that County funds are not given to inmates.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2006

Other Findings

Property Taxes 06-05

Statement of Condition

- During our property tax testwork of twenty-five properties, we noted that for one property the most recent valuation assessment in the property's file showed an assessed value of \$55,358 but the value on the County's computer database was \$52,225.

Criteria

- The County must maintain proper controls and review to ensure that the most current property appraisals are input and updated in the database.

Effect

- The computer system that contains property values from which property taxes are assessed was not updated with the most recent appraisal valuation causing under-taxation of property taxes.

Cause

- Management oversight and insufficient review of most current property valuations being updated in the computer databases.

Recommendation

- The County needs to implement proper controls and oversight to ensure that field derived property appraisals are timely and accurately input into the database.

Management Response

The Finance Department will coordinate with the Assessor's Office to ensure that oversight and sufficient review of property valuations are updated in the computer database. The internal audit function will also conduct random sample review of property valuations next fiscal year to ensure that valuations are updated in the database.

STATE OF NEW MEXICO
SANTA FE COUNTY

Status of Prior Years Audit Findings

June 30, 2006

Status of Prior Year Findings

Material Weakness – Developer Fees Fund	Resolved
Decentralized Accounting	Modified and reported as finding 06-01
Cash Controls	Modified and reported as finding 06-02
Arbitrage	Resolved
Disbursements	Modified and reported as finding 06-04
Capital Assets	Modified and reported as finding 06-03
Employee Benefit Fund	Modified and included in cash controls 06-02

STATE OF NEW MEXICO
SANTA FE COUNTY

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EXIT CONFERENCE

An exit conference was held on November 14, 2006 to discuss the audit report and current and prior year findings. Those in attendance were as follows:

Santa Fe County:

Teresa Martinez, Finance Director
Roman Abeyta, County Manager
Harry Montoya, County Commissioner
Dodi Salazar, Housing Services
Duncan Sill, Housing Services
Robert Anaya, Housing Services
Stephen Wust, Water Resources
Millie Valdivia, Water Resources
Alex Salazar, Treasurer's Office
Brian Baca, Treasurer's Office

Barracough & Associates, P.C.:

John E. Barracough Jr., Managing Principal
Douglas Fraser, Audit Manager
Helen Perraglio, Senior Accountant

We acknowledge the courtesy and assistance extended to us during the course of the audit. Should you desire to discuss any of the matters further, please do not hesitate to contact us.

The financial statements were prepared by Barracough & Associates, P.C. with the assistance from Santa Fe County personnel from the books and records of Santa Fe County.

JK
1-8-07